

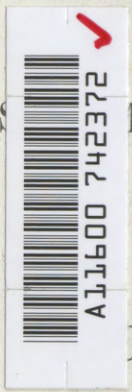
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REGULATE THE MAILING OF MASTER KEYS FOR MOTOR VEHICLES

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HEARINGS BEFORE THE COMMITTEE ON POSTAL OPERATIONS OF THE COMMITTEE ON OFFICE AND CIVIL SERVICE HOUSE OF REPRESENTATIVES NINETIETH CONGRESS

SECOND SESSION

ON

H.R. 14404

A BILL TO AMEND TITLE 39, UNITED STATES CODE, TO
REGULATE THE MAILING OF MASTER KEYS FOR MOTOR
VEHICLE IGNITION SWITCHES, AND FOR OTHER PURPOSES

JANUARY 23 AND 24, 1968

Serial No. 90-28

Printed for the use of the
Committee on Post Office and Civil Service



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1968

88-949

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REGULATE THE MAILING OF MASTER KEYS FOR MOTOR VEHICLES

TUESDAY, JANUARY 23, 1968

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTAL OPERATIONS OF THE
POST OFFICE AND CIVIL SERVICE COMMITTEE,
Washington, D.C.

The subcommittee met at 10:05 a.m., in room 210, Cannon House Office Building, the Honorable Robert N. C. Nix (chairman of the subcommittee) presiding.

Mr. NIX. The subcommittee will be in order.

At this time, with unanimous consent, the bill, H.R. 14404, and letters from Postmaster General O'Brien, the Deputy Attorney General of the United States Warren Christopher, and Mr. Richard L. Braun, Executive Assistant, Criminal Division, Department of Justice, will be introduced into the record.

(The material referred to is as follows:)

[H.R. 14404, 90th Cong., first sess.]

A BILL To amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4001 of title 39, United States Code, relating to nonmailable matter, is amended by adding at the end thereof the following new subsection:

“(d) Any key adapted to fit the ignition switches of two or more vehicles, the ignition switches of which are designed to be operated with different keys, is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postmaster General directs. Notwithstanding the immediately preceding sentence, such key may be transmitted in the mails, in accordance with regulations which the Postmaster General shall prescribe—

“(1) to a bona fide locksmith, dealer in motor vehicles, officer or employee of a common carrier or contract carrier, or officer or employee of any motor vehicle rental business, for use in connection with his business;

“(2) to an officer or employee of an automobile club or association operating in more than one State, or of an affiliate of such club or association, for use in connection with the activities of such club or association; and

“(3) to supply or procurement personnel of the Government of the United States, a State, the District of Columbia, the Commonwealth of Puerto Rico, or a possession of the United States, for use in connection with the activities of such government.

The Postmaster General may require, as a condition of the transmission of any such key in the mails to an addressee within the purview of subparagraph (1), (2), or (3) of this subsection, that the person proposing to mail such key explain in writing to the satisfaction of the Postmaster General that the mailing of such key will not be in violation of this subsection.”.

SEC. 2. The amendment made by this Act shall become effective on the sixtieth day after the date of enactment of this Act.

THE POSTMASTER GENERAL,
Washington, D.C., January 23, 1968.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office, and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on H.R. 14404, a bill which would amend section 4001(a) of title 39, United States Code, to declare nonmailable master keys for motor vehicles except when mailed to designated addressees in accordance with conditions prescribed by the Postmaster General.

Although we are aware of the increasing concern which has been manifested in the widespread dissemination of master keys for automobiles, the Department has no special knowledge of the problem of automobile theft and the degree to which mail order master keys contribute to that problem.

The Department believes, however, that this legislation may not be susceptible of effective enforcement in the absence of either criminal penalties or express administrative or judicial enforcement provisions.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the Committee from the standpoint of the Administration's program.

Sincerely yours,

LAWRENCE F. O'BRIEN.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., January 19, 1968.

HON. ROBERT N. C. NIX,
Chairman, Subcommittee on Postal Operations, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your kind invitation for a Department witness to appear before the Subcommittee to testify on H.R. 14404, legislation to regulate the mailing of automobile master keys.

This subject is one which has been of concern to the Department for some time, and we presently have it under review. Unfortunately, however, we will not have our conclusions and recommendations formulated in time to participate in Subcommittee hearings.

Again, thank you for your invitation. Perhaps we can participate in subsequent hearings on this subject.

Sincerely,

WARREN CHRISTOPHER,
Deputy Attorney General.

DEPARTMENT OF JUSTICE,
Washington, January 18, 1968.

HON. ROBERT N. C. NIX,
Chairman, Subcommittee on Postal Operations of the Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: This is in reference to your letter of January 11, 1968 inviting me to testify before your Subcommittee on H.R. 14404, a bill to regulate the mailing of master keys for automobile ignitions.

It is my understanding that you have also contacted the Deputy Attorney General concerning this invitation. Committee invitations for Department witnesses are normally channeled through his office. He will be in touch with you soon regarding this matter.

The control of automobile master keys certainly is an important factor in combating crime. Your interest in inviting me to testify is appreciated.

Sincerely,

RICHARD L. BRAUN,
Executive Assistant, Criminal Division.

Mr. Nix. Today we are taking up H.R. 14404, a bill introduced by me on December 12, 1967. This bill provides that master automobile keys will not be mailable.

Recently, master automobile keys have become a problem, and the reason for it is that some mail-order houses distributed keys for a price throughout the United States.

The danger, of course, is that the keys will be used largely in the theft of automobiles.

As is commonly known, automobile theft is a serious matter in the United States. It is serious not only because of a loss to car owners, but because of the involvement of young people in crime.

It is to a large extent a young person's crime, and usually the first felony of a youngster who is about to set out on the course of life.

These keys would allow prospective automobile thieves to gain entrance in any automobile. They simply make stealing automobiles easy.

I want to compliment Mr. Peter Duncan, editorial director, and the staff of television station WCAU in Philadelphia for their fine public service in their broadcasts on this subject.

In fact, it was their broadcasts which brought to my attention the seriousness of the situation which brought into being the legislation which we are about to consider today.

I think station WCAU served the highest standards of the profession of journalism in bringing this matter to light.

On behalf of the subcommittee, I want to extend my thanks and congratulations to WCAU in Philadelphia.

I have listened to many editorials, and editorializing is becoming the common practice in many places and for many stations in the country. I have not always agreed with them, and I don't expect ever to always agree with anything.

One criticism I have made is this: That they begin to editorialize, and the public is not advised that this is going to be spoken of or the subject to be touched upon, and at the end of it there is always the statement that copies are made available to anyone. But the fact is that when you are listening to it, you have not available to you a stenographer who can take down stenographic notes, and you don't know what happened or what was said a couple of hours later, and you must send to the station and get a copy.

By that time you have 10 million other things to do, and you don't have time to ask the time to answer.

As a result of this, the public has lost interest in any dialog on the subject, and whoever is impressed hears only one argument. That is the only part I dislike about it.

But as to this particular broadcast by WCAU, the subject matter was so important that I think everyone was impressed by it and everyone remembered.

Our first witness today is a gentleman who has appeared before the full committee and the subcommittee on many occasions and has always made an outstanding contribution whenever he did appear.

I have the great pleasure of calling Mr. Timothy May, General Counsel of the Post Office Department.

Mr. May.

Would you introduce your associates, and you may begin your testimony.

STATEMENT OF HON. TIMOTHY J. MAY, GENERAL COUNSEL, POST OFFICE DEPARTMENT

Mr. MAY. Mr. Chairman, Chief Inspector Montague is here with me this morning, and Mr. Miller and Mr. Wenchel are with us as well.

Mr. Chairman, I'm pleased to appear before this subcommittee to testify on H.R. 14404, a bill introduced by the chairman to regulate the mailing of master keys for vehicle ignition switches and for other purposes.

H.R. 14404 would make master keys nonmailable except when mailed to specific classes of persons enumerated in the bill. We, of course, favor the purpose behind H.R. 14404—to reduce auto thefts—since it provides a means of dealing with a serious problem.

The apparent ease with which a person may drive away someone else's automobile contributes to the general climate of crime with which we are all concerned today. Thus, not only does the easy availability of master keys increase the risk of loss of valuable property, but is also a factor in tempting individuals into crime. This legislation restricts the easy distribution of master automobile keys through the mails.

I have with me today the Chief Postal Inspector, Mr. Henry Montague, who will speak about the dissemination of master automobile keys, a subject with which he has a greater familiarity than I.

Mr. Chairman, if I may suggest, before we get into substantive discussion of the legislation, I think the committee would probably want to hear from Mr. Montague.

Mr. Nix. Thank you, Mr. May.

We would be happy to hear from Montague at this point in the record.

STATEMENT OF HENRY B. MONTAGUE, CHIEF POSTAL INSPECTOR, POST OFFICE DEPARTMENT

Mr. MONTAGUE. Mr. Chairman, this subcommittee is concerned with the indiscriminate mail-order sale of so-called master keys which are advertised to be effective in opening the doors and activating the ignition switches of a wide variety of motor vehicles.

I am pleased to furnish the subcommittee such information and data as the Postal Inspection Service has with respect to these mail-order activities.

We began receiving significant numbers of inquiries, expressing serious concern, regarding the master key advertisements about 1964. Advertisements were appearing in nationally circulated magazines, and others were being disseminated by direct mail. Written expressions of alarm were received from various sources, including Members of Congress, individual mail patrons, and law enforcement officials. It was forcefully pointed out by them that such indiscriminate advertising and sale would provide a clear opportunity, if not invitation, to the criminally motivated, particularly juveniles, to steal automobiles.

Such mailings did not then, and do not now, violate any postal or other Federal laws or regulations.

Our records show that one of the mail-order promotions of this type that has come to our attention during recent years has had a relatively long lifespan. The others have been short lived. The principal promoter began operations in 1964 and since that time has engaged in the mail-order sale of so-called master keys under at least six different firm names. Many thousands of direct mail advertisements have emanated from this promoter and of course his copy has been carried in various nationally circulated magazines.

It perhaps is paradoxical that the only possibility of dealing with this individual under existing Federal law is to prove that his so-called master keys do not measure up to his claims—in other words, that they will not, as represented in his literature, “open doors and ignitions on all cars and trucks built from 1955 to 1967.”

He charges \$3 each for sets that will allegedly open all Ford, Rambler, Chrysler, and General Motors Co. products, respectively. The four sets together may be purchased at the “low bargain price” of \$10.

We have found that the keys which we have had occasion to have tested are known in the locksmith's trade as “jigglers,” “manipulators,” “feelers,” or “tryouts.” Automobile manufacturers were most cooperative in testing sets which we furnished for that purpose. One manufacturer reported that, in the hands of persons employing patience and dexterity, 30 percent of the cars tested could be opened with the keys.

Our investigative report and evidence was recently presented to a U.S. attorney for consideration under the mail fraud statute.

That the “master keys” may not be quite so masterful as held out by those attempting to sell them does nothing to minimize the evil involved. Certainly, their easy mail-order availability to one and all constitutes a most unhealthy temptation to illegal acts that can have destructive consequences.

Thank you, Mr. Chairman.

Mr. NIX. Mr. Montague, as an overall proposition, is it reasonable to conclude that this is an area in which legislation is needed?

Mr. MONTAGUE. Yes, sir.

Mr. NIX. And has been needed for some time?

Mr. MONTAGUE. Yes, sir.

Mr. NIX. However, it also might be stated that the present bill—that is, the legislation under consideration might very well be brought in many ways in the matter of penalty in order to actually become a deterrent to the thing that we are seeking to stop.

Would you say that?

Mr. MONTAGUE. Yes, sir.

Mr. NIX. Now, I should like to ask Mr. May a couple of questions.

Mr. MAY. Yes, sir.

Mr. NIX. Do you think that interstate as well as postal transportation of these keys should be banned, Mr. May? I wish you would comment on that.

Mr. MAY. I think that you do have a problem of distribution of these keys through several means. The mails are an obvious way to do it, and the legislation at hand would directly come to grips with that means of distribution.

However, I believe that Mr. Montague is familiar with the fact, as are other law-enforcement officers, that these keys are distributed in interstate commerce outside of the mails.

So I would imagine that the Congress would want to take a look at broadening the legislation to see if they can't curtail the distribution of these keys by whatever means, whether it is through the mails or any other means of transport in interstate commerce.

Mr. NIX. I think it is reasonable, of course, because the object of any such legislation would be to prevent the distribution of the keys.

And obviously, if we limited it to the mails, all the person would have to do would be find another method of distribution—and be perfectly within the law.

Now, should nonmailable provisions be extended in your opinion to advertisements as well as to the keys themselves?

Mr. MAY. It is my own opinion that certainly as to the mailability aspects it would seem logical that if the distribution of the master keys through the mails is to be prohibited that the advertisement for the sale of master keys, where the advertisements are carried in the mail, should likewise be prohibited.

Otherwise you would have the situation where in magazines or direct mail solicitation master keys could be offered for sale and the recipient or the postal patrons would be told that they have to come into the person's store to buy these master keys rather than send their money and receive them through the mails.

But the same evil would be present unless there were some attempt I believe to curtail the advertisement of master keys through the mails.

Mr. NIX. Do you think that all of the exemptions as stated in the bill are really needed?

Mr. MAY. I wonder whether they are really needed. I honestly don't know, after having examined the various exemptions, just how necessary all of them are.

I understand that the automobile clubs, for example, have not actually requested that they be exempted. And if they were asked, I am not sure that they would think that it was desirable to exempt them.

The same may be true of other classes that are listed in the exemptions.

I think that as the committee's work progresses it will want to examine or inquire with representatives of these classes to see just how great their need for exemption is.

Inevitably, when you do create exemptions in classes that are as large as these, you do provide a number of master keys that are in circulation. Admittedly, they would be in the possession of presumably responsible people. But the fact that there would be a number of these master keys in circulation raises the possibility that they would fall into the wrong hands.

So I would think that the committee would want to examine very closely just how necessary these exemptions are.

Mr. NIX. I might make the comment, Mr. May, that, of course, there are exemptions all through the law. But exemptions have always worried me all my life. They always cause more trouble, I believe, than the good they do.

But whatever final form the legislation takes, it is your opinion that it is an effort that is worth pursuing?

Mr. MAY. There is no question about that, Mr. Chairman. It certainly is.

Mr. NIX. Thank you, Mr. May.

Mr. Cunningham.

Mr. CUNNINGHAM. Well, Mr. Chairman, I am sorry that I am a little tardy, but I had a breakfast meeting and about 50 constituents that I had to take on a tour around the Capitol. So you will forgive me, Mr. May.

Mr. MAY. Yes, sir.

Mr. CUNNINGHAM. Mr. May, I think I was the first one to introduce this type of legislation. It resulted from a communication that I received from a constituent calling attention to an advertisement in some type of publication.

Then on February 28, 1967, I did introduce such a bill. However, it was referred to the other committee of which I am a member, Interstate and Foreign Commerce.

I am sure that—with the high regard I have for our parliamentarian—that is the way it should have gone.

I don't presume that you have had an opportunity to review that particular bill—H.R. 6246.

Mr. MAY. No, sir. We have not filed a report on that bill, nor do I believe we have been asked to file a report on that bill.

Mr. CUNNINGHAM. Well, I don't expect you would be, because it was referred, as I said, to Interstate and Foreign Commerce.

Mr. MAY. Yes, sir.

Mr. CUNNINGHAM. I don't know what will come out of this committee, but I do know this is a very serious problem. There are some legitimate users of these types of keys, but I am thoroughly convinced it is a very small minority. And I am sure Mr. Nix must have pointed out the tremendous increase in car thefts.

So I feel strongly that something has to be done in this regard.

I am wondering if it is your prerogative to compare the differences between the bill that my dear friend Mr. Nix has before us today and the bill that I introduced, H.R. 6246, to see what the major differences may be. Would that be within your prerogative?

Mr. MAY. We would be glad to submit an analysis to the committee.

I would just say generally right at this moment that the chairman himself has already asked me the question of whether or not the bill before the committee today is broad enough in its coverage and whether or not it should be extended to include the transportation of these keys in interstate commerce by means other than the mail.

That question, of course, goes to the subject matter of the bill that you introduced in the last session.

But we will prepare an analysis, a comparative analysis, of the two bills and submit it to the committee.

Mr. CUNNINGHAM. I know that the chairman, Mr. Nix, is deeply interested in this subject.

Now, we want to get the best bill we can. Would that be agreeable to you, Mr. Chairman?

Mr. NIX. Mr. Cunningham, I can assure you that the objective is to get a bill as comprehensive as possible, with coverage that meets the problem. And I know that your legislation will make a great contribution. And the comparative analysis is necessary in the consideration of what we have in mind for the legislation.

We want as many views as we possibly can get. And out of the great number of views, certainly we will arrive at something that is useful to the general public. And I quite agree with you that we will be glad to do just what you suggested.

Mr. CUNNINGHAM. Mr. May, there is a great concern on the part of the people about the crime situation, most recently evidenced by the tremendous ovation the President received when he mentioned that problem.

Do you think there is any activity afoot to include this particular problem in an omnibus crime bill?

The reason I ask that, to be fair, is that this might be a tremendous package. It might conceivably amount to an expenditure of \$100 million. And I am just wondering, with all of the problems we will have—and, as you know, the present crime bill is hung up in the Senate—if you would think that this shouldn't be a separate piece of legislation so we will at least get this bit done on this problem.

Mr. MAY. I honestly do not know the details of the administration message on crime. I do know that the administration, both the Post Office Department and the Justice Department and other agencies of the Government that are concerned with problems such as this, are thinking about and studying the problem of master keys.

Now, what details that will take and whether or not they will include some recommendations on this problem in an omnibus provision, I honestly cannot say.

Nor am I really in a position to comment at this point on whether the better strategy in passing crime proposals is to take them up seriatim and individually so that each can pass or fail on its merits, or whether, given the time limitations and the extremely busy schedules of the congressional committees, an omnibus crime package is the better course to follow.

I have no further insights than that, Mr. Cunningham.

Mr. CUNNINGHAM. Well, of course, this committee's primary responsibility is to have jurisdiction over what passes through the mails, and these keys do pass through the mails.

I would be somewhat fearful that if this particular provision were put in an overall omnibus crime bill that may go to Judiciary or some such committee and we may be in some difficulty.

Therefore, it would be my preference as perhaps it is the chairman's preference, that we at least bring this one thing out on its own merits from this committee, because it is a matter of these keys passing through the mails.

I don't expect any response from you on that. That is an observation on my part.

I believe that is all I have at the moment, Mr. Chairman.

Mr. NIX. Thank you, Mr. Cunningham.

Mr. May, you mentioned the presentation of the comparative analysis.

Mr. MAY. Yes sir.

Mr. NIX. We would be happy to receive it whenever you have it ready.

Mr. Montague, you mentioned certain information that it was your intention to present to the subcommittee. Whenever that is available, we will be happy to receive it.

Mr. MONTAGUE. Yes, sir.

Mr. NIX. I want to thank both of you gentlemen for being here today. It is always a pleasure for this committee to have you come and make your contributions to our effort.

Mr. MAY. Thank you.

Mr. Nix. Our next witness is a gentleman from the great city of Philadelphia. And if there is any doubt in the mind of anyone about the descriptive adjective, I can assure you that it is a great city, perhaps the greatest in this country.

It is my pleasure to present Mr. Peter Duncan.

**STATEMENT OF PETER W. DUNCAN, EDITORIAL EDITOR,
WCAU-TV, PHILADELPHIA, PA.**

Mr. DUNCAN. WCAU-TV in Philadelphia is pleased to be here to discuss with you our involvement in the problem of master keys, and specifically your piece of legislation, Mr. Nix, H.R. 14404.

Before we started this morning officially, you mentioned some of the problems of the TV editorials. I would like to just take a moment if I may to answer that problem.

Mr. Nix. Certainly.

Mr. DUNCAN. You mentioned that there is the possibility that a TV editorial is a one-way argument, which is quite true. There is that possibility. At WCAU-TV we try to set up a two-way communication.

The basic purpose of the editorial is not necessarily to sell our point of view, but to create public interest in a problem or something that is developing.

As a result, every editorial that we do goes out to a master mailing list. It also goes out to specific interested parties. For example, if you were mentioned in one of the editorials, you would get a copy of that editorial. And that would be interested parties pro or con the editorial.

And then we feel that it is our obligation to the public to actively, by telephone, by mail, in person, seek out opposing viewpoints to our editorials and to invite them to come to channel 10, WCAU-TV, and reply to our editorial.

We like to do that as soon after our editorial airs so that the public—and we have a loyal viewing public I believe—is able to see one side of the argument and then the other.

So we feel that it is a two-way communication. We hope that it is a way of bringing the pro's and con's of any given situation to the general public in the greater Delaware Valley, which TV 10 covers.

Mr. CUNNINGHAM. Mr. Chairman, may I ask a question?

Mr. Nix. Yes. Go right ahead.

Mr. CUNNINGHAM. As I mentioned, I am a member of the Committee on Interstate and Foreign Commerce that has jurisdiction over broadcasting, and we have gone into this subject.

I asked for equal time once to reply to an editorial, and I had a devil of a time getting it.

I even had to go to the vice president of NBC to use his influence. Because don't you have a problem in deciding who is the one to make the rebuttal?

Mr. DUNCAN. Well, I can assure you, sir, at CBS in Philadelphia we treat you better.

Mr. Nix. That is why I made the comment.

Mr. DUNCAN. We do have that problem. And the FCC regulations do not stipulate what criteria you use to select the opposing point of view.

One thing I know. We have an editorial board at WCAU-TV, which is made up of five people within management, and one thing

we don't do is we don't allow the individual citizen to come in off the street and say, "I oppose that."

If we did that, obviously, we are going to open up a flood-gate.

Mr. CUNNINGHAM. Suppose you had an editorial reflecting on my dear friend Mr. Nix, but didn't use his name, but the content of the editorial would be directed at him and people would recognize it was, even without the use of the name, would you be apt to let him be the one to rebut?

Mr. DUNCAN. We would not do an editorial which did not use the name, because—

Mr. CUNNINGHAM. You use the name at all times?

Mr. DUNCAN. Yes, sir. It is the only direct, honest way.

If in the editorial you do things by intimating them, then it is a guessing game on the part of the public

If we have something that we are strongly for or against, we have about 2 minutes in our editorials, and we spell it out as directly and succinctly as possible, so that there is no mistake. We don't want to leave the public with a guessing game: "Are they talking about so-and-so? Do they mean so-and-so?" We use the name.

Mr. CUNNINGHAM. Mr. Chairman, I don't want to take more than a moment or two.

Mr. NIX. Go right ahead.

Mr. CUNNINGHAM. But do you say at the end of your editorial that you would be glad to have those of opposing viewpoints contact you and give them an opportunity to reply?

Mr. DUNCAN. I don't know the exact words, but, yes, there is a slide that comes on.

Mr. CUNNINGHAM. Words to that effect?

Mr. DUNCAN. In every editorial we mail out—and this refers back to what I said to Mr. Nix, that we mail out editorials to interested parties, and that means whether they are for or against our editorial—at the top of the mailer it says:

WCAU-TV believes the television station has a responsibility to make its position known on vital local issues and, in accordance with station policy, to give qualified representatives of opposing viewpoints the opportunity to reply.

Mr. CUNNINGHAM. Just one other thing. I don't know how recently, but rather recently, stations as a promotion gimmick have on their early evening news asked a question and asked people to call in yes or no as to their feeling, and then on your later news they give the results.

I understand this started in Philadelphia.

Mr. DUNCAN. Yes, sir.

Mr. CUNNINGHAM. And that station—or if there are two that do it—has discontinued that type of promotion. Are you familiar with that?

Mr. DUNCAN. Yes, sir.

Mr. CUNNINGHAM. Which station was it?

Mr. DUNCAN. It was not our station.

Mr. CUNNINGHAM. It was not yours?

Mr. DUNCAN. It was not our station.

Mr. CUNNINGHAM. I understand that most stations, about 15 around the country, are phasing that out as being a most inaccurate survey of public opinion.

That is all, Mr. Chairman.

Mr. NIX. Thank you.

You may proceed, Mr. Duncan.

Mr. DUNCAN. Norman Rademan of Herbach & Rademan, an electronics business in Philadelphia, got a mailer from the A. K. Supply Co., which is based in St. Petersburg, Fla.

Mr. Rademan later told me on the phone that the mailer was a bulk mailing.

He turned the information over to the postmaster in Philadelphia, who indicated that steps would be taken by proper departments, and he also sent the information with a letter to the Better Business Bureau in Philadelphia.

The Better Business Bureau then printed a short piece in its newsletter.

The letter, if I may read it to you, which went to the Better Business Bureau of Greater Philadelphia, said:

GENTLEMEN: I'd like your scrutiny on the enclosed (copies of) offering received here this morning.

Of course, an offering like this is hard to pass up, and we've taken advantage of the special quantity price. Why not outfit the whole gang with sets of master automobile and truck keys at bargain prices? AND they are fully guaranteed, so if you have trouble breaking into some car or truck, we'll just return the master for a refund.

It seems to me this company is blatantly sponsoring a crime wave against all automobile owners across the country. They are not discriminating, either, since this was a bulk mail offering, on an obviously "paid-for" mailing list—on which we happen to (luckily?) be included. Anyone could be on the list and inexpensively afford themselves of the contents of numerous trucks and cars and the luxury of just taking any of these vehicles which strikes his fancy.

It is our emphatic recommendation this company be enjoined from the distribution of master key sets to all but strictly authorized-by-police companies! It should, of course, be accomplished immediately, inasmuch as they are currently mailing literature to untold thousands of prospective thieves.

"It is of the utmost importance that something be done for the unsuspecting, honest citizens of the country and here is an excellent way to start, now. May we have your comments?"

Cordially,

HERBACH & RADEMAN, INC.,
NORMAN O. RADEMAN, *Vice President.*

He included in his letter the mailer, a copy of the mailer, which was sent to him. I believe you have copies of it in front of you. This set up theoretically the people they are directing their mailer to—new-car dealers, used-car dealers, auto wreckers, auto auctions, et cetera, et cetera, about 15 or 20, that cover all forms of people who deal with automobiles in one way or another.

It offers three groups of keys to open Ford products, Chrysler Motor products, and General Motors products, that, if you bought individually, would add up to \$16, but the A. K. Supply Co. is giving a bargain rate of \$10 if you buy all three groups.

And they implore you to order today. They also say "Money back guarantee"—which is in quotes for some reason.

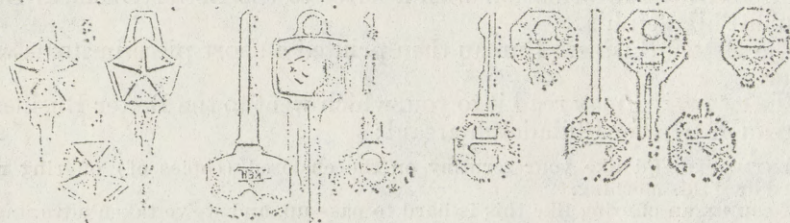
ATTENTION

- o NEW CAR DEALERS
- o USED CAR DEALERS
- o AUTO WRECKERS
- o AUTO AUCTIONS
- o MUNICIPALITIES
- o BANKS

- o AUTO BODY SHOPS
- o AUTO RENTAL AGENCIES
- o REPOSSESSORS
- o COLLECTION AGENCIES
- o POLICE AGENCIES
- o FINANCE Companies

- o WHOLESALERS
- o PARTS STORES
- o INDEPENDENTS
- o PARKING LOTS
- o TRAFFIC MANAGERS
- o Gov't. Agencies, etc.

NEED AUTOMOBILE & TRUCK MASTER KEYS?



OUR KEYS WILL OPEN DOORS AND IGNITIONS ON
ALL CARS & TRUCKS BUILT 1955-1967.

(Prices Subject to Change)

(Fla. Buyers Add 3% S. T.)

There is no EASIER, FASTER, or more ECONOMICAL
way to open locked vehicles.

STOP LOSING SALES! o SAVE ON SERVICE CALLS!

3 - KEYS TO OPEN ALL FORD CO.
PRODUCTS

(COROL, LINCOLN, MERCURY, etc.)

\$5 ☐

3 - KEYS TO OPEN ALL CHRYSLER
DIVISION CO. PRODUCTS

(CHRYSLER, PLYMOUTH, DODGE, etc.)

\$5 ☐

3 - KEYS TO OPEN ALL CHRYSLER
DIVISION CO. PRODUCTS

(CHRYSLER, DODGE, PLYMOUTH, CADDS, etc.)

\$6 ☐

NOV
\$10.00
BUYS ALL
THREE
GROUPS

(Original Retail Value \$16.00)

(OUR LOW PRICES ARE BASED ON "PAYMENT WITH ORDER" PLEASE)

In lots of "TEST" or "NEW" vehicles this ... your
cost will be \$0.00 ...

"MONEY-BACK GUARANTEE"

If, for any reason, you are not completely satisfied with your purchase ... simply return merchandise in good condition along with a photostatic copy of your original check and you will receive full refund. Returns must be shipped within a ten-day period from date of arrival for refund purposes. Sorry ... No Sales to Individuals! (Please guard your keys against unlawful use.)

SEND CHECK or MONEY ORDER to

A. K. SUPPLY CO.

4710 - 28th STREET (N)

P. O. BOX 13547

ST. PETERSBURG, FLORIDA 33733

That was the mailer that Mr. Rademan got from the A. K. Supply Co., and he sent it off to the Better Business Bureau in Philadelphia. The Better Business Bureau in their little publication called the Shield, November 25 edition, had this note:

MASTER CAR KEYS OFFERED BY MAIL

Want to steal a car the easy way? Order a master key from one of a dozen or so firms advertising them by mail. One firm writes: "There is no easier, faster, or more economical way to open locked cars." The firm offers a set of master keys for \$8 which it says "will open doors and ignitions of all cars and trucks built from 1955 to 1967." Such ads usually state that the keys are for legitimate use only, but there seems to be no difficulty in obtaining them for any purpose.

Last year, the Senate took up the problem and the Senate Juvenile Delinquency Subcommittee is currently investigating. A bill has been introduced to outlaw the keys. State laws, where they exist at all, are not effective, since the courts have ruled that a sale takes place where the money is received and the merchandise shipped.

The key sellers have been careful to operate in States where their business is not illegal.

That is the notice from the Better Business Bureau of Greater Philadelphia in their publication "the Shield."

I saw this newsletter and called Mrs. Lucy Taylor at the Better Business Bureau for more information. She gave me the names of two firms:

First, A. K. Supply Co., 4710 28th Street, North, Post Office Box 13547, St. Petersburg, Fla., and the zip code number. And they were offering three groups of keys for \$10.

And then the Overseas Trading Co., Post Office Box 13547, St. Petersburg, Fla. They were offering all four sets for \$9. For some reason they were offering four sets for less money than the other firms that were offering three sets for \$10.

If you notice, the box number for both firms is exactly the same.

A firm dealing with auto parts had sent the Overseas Trading Co. mailer to the Better Business Bureau without any comment. That is why they had the Overseas Trading Co. in their files in Philadelphia.

Based on the information given to me by Mrs. Taylor, WCAU-TV presented an editorial on the subject of master keys for automobiles. We aired that on November 27, 1967, under the title "They're Making It Easy To Steal Your Car."

At that time we said:

Stolen cars are moving through the streets of our city and throughout the country. Stealing cars is a big business; last year alone almost 7,000 cars were stolen in Philadelphia.

Insurance companies have urged motorists to take their keys out of the ignition and lock their cars.

Many of the new models even have a buzzing device which turns on if you try to leave your car with the keys still in the ignition.

So you take out the keys, you lock the car—and everything's secure. At least, you might think so.

But times have changed. No longer does a juvenile delinquent or an adult in the stolen car racket have to search for that unlocked car, for the car with the keys in the ignition.

Ads in national magazines are doing the hard work for them. According to the Better Business Bureau, there are a dozen or so firms just ready and waiting to send a set of master keys to anyone. (Master keys—keys which will unlock any car made from 1955 through 1967; keys which will start up the engines so a car—perhaps your car—can be driven away.)

With such ease of operation, the number of stolen cars should zoom. All anyone needs is \$8 for the set of keys, an envelope and a stamp. By return mail, he'll get the set of keys with no questions asked.

Well, its time that some questions were asked. Who's going to protect the car owner? Who's going to prevent these keys falling into criminal hands? The ads do state that the keys are for legitimate use only, but once the company gets the money, who's to know what the keys are used for?

The United States Senate looked into the growing problem last year but no legislation has resulted.

If widespread distribution of these keys continues: First, there's a greater possibility that your car will be stolen. But, also, if the number of stolen cars zooms, so will the cost of your car insurance.

WCAU-TV urges Congressional members from Pennsylvania to lead the fight for legislation restricting the now-unrestricted distribution of automobile keys.

That was on November 27, 1967.

Following the editorial, we received correspondence from several people in Congress. Immediate response came from Congressman Nix, and we later heard from Congressman Barrett.

Based on the direct action instituted by Congressman Nix, WCAU-TV aired its second editorial on the subject. That came on December 6, 1967. At that time we stated:

On November 27th, WCAU-TV presented an editorial entitled: "They're Making It Easy To Steal Your Car." The editorial dealt with firms who (after receiving the right amount of money) will mail out master keys to automobiles—keys to open any car made from 1955 to the present time.

Stealing cars is big business. As we mentioned in that editorial, almost 7,000 cars were stolen in Philadelphia last year alone. If master keys are readily available to anyone who has eight or ten dollars, the number of car thefts could zoom.

Congressman Robert Nix received a copy of our editorial and has now informed TV 10 that he will introduce legislation before Congress which would halt unrestricted distribution of master keys. Advertising pieces from companies selling the keys do point out that the keys are to be used only for legitimate purposes, but that offers no actual protection for the car owner.

Congressman Nix's legislation will call for a fine up to \$2,000 and a jail sentence of up to five years (or both) for anyone advertising or selling these master keys to the public. The legislation exempts those businesses which have legitimate use of such keys—locksmiths, car dealers, automobile clubs, et cetera.

Also under the legislation, it would be illegal to use the mails for distribution of the master keys to anyone other than legitimate firms. The Postmaster General could require a written explanation to show that the mailing of the keys is not in violation of the law.

Congressman Nix will propose this legislation this week.

WCAU-TV urges a thorough committee investigation into the distribution of master keys, and swift action to cut off the unrestricted flow of such keys.

That was an editorial aired on WCAU-TV December 6, 1967.

Others who responded to that second editorial included Congressmen Joseph Vigorito, Joshua Eilberg, Richard Schweiker, and Senator Joseph Clark.

Next, I purchased a U.S. post office money order and mailed it to the A. K. Supply Co. along with a handwritten letter requesting a set of the keys. The post office money order number was 5,619,106,282, mailed from Balacynwyd, Pa.

I included a handwritten letter on plain paper to the A. K. Supply Co., at their address in St. Petersburg, Fla., and I said:

DEAR SIR: Please send me a complete set of key groups. Enclosed is a money order to cover the cost. Please mail to: Mr. Peter W. Duncan—

And then I gave my home address and said—

Thank you.

Sincerely yours,

PETER W. DUNCAN.

At no place in that letter did I say that I was in the automobile business or that I had anything to do with automobiles or that I had any real concrete need for these keys. I sent them the letter and the money order and my home address and my name. That was it.

PAY THIS AMOUNT \$1000		WARNING DO NOT CASH IF ALTERED		\$1000	
DOLLARS CENTS		DOLLARS CENTS		DOLLARS CENTS	
U. S. Postal Money Order 15-119 MAXIMUM VALUE ONE HUNDRED DOLLARS		5,619,106,282		5,619,106,282	
NOT VALID FOR MORE THAN TEN DOLLARS		DO NOT FOLD, STAPLE, SPINDLE OR MUTILATE		PURCHASER'S RECEIPT U.S. Postal Money Order	
PURCHASER-FILL IN INFORMATION BELOW					
PAY TO	<i>A. K. Supply Company</i>				
FROM	<i>Petite's Hardware</i>				
PURCHASER'S NAME	<i>Petite's Hardware</i>				
PURCHASER'S STREET ADDRESS	<i>187 Church Ave</i>				
PURCHASER'S CITY, STATE AND ZIP CODE	<i>Adrian Pa</i>				
INITIAL OF ISSUING OFFICE EMPLOYEE	<i>PT</i>				
ISSUING OFFICE STAMP	DEC 6 1967				
ISSUING OFFICE STAMP	DEC 6 1967				
DETACH AND HOLD FILL IN OTHER SIDE					
PURCHASER ASSUMES RESPONSIBILITY FOR FILLING IN HIS NAME AND ADDRESS AND NAME OF PAYEE IN SPACE PROVIDED ON THIS ORDER					

:000000119:

While waiting to receive my keys, I heard at least two newstories concerning unusual thefts from cars.

The first involved a Philadelphia man who put bags of cash into the trunk of his car, drove to a cafeteria or a restaurant on his way home, had a bite to eat, and then went ahead home. When he got home he opened up the trunk and the money was gone.

Police theorized some sort of skeleton key was used.

There was one other like incident.

On December 14, 1967, I received an envelope from the A. K. Supply Co. It had been mailed on the 11th of the month. In it was my handwritten letter, my money order, and a card which was headed with this phrase:

PLEASE SIGN THIS CARD AND RETURN IT WITH YOUR ORDER

The card said:

To whom it may concern:

I am purchasing these groups of automobile master keys in good faith. I have a genuine need for these keys and I intend to use them in a lawful manner. I will not allow minors to use them and I will guard them and keep them in a safe place.

My payment for these master keys is enclosed. Please send them to me.

Then you are to print your name and sign your name at the bottom of that card and return it with your money order, with your original order.

I signed the card and mailed my letter, money order, and card back to the A. K. Supply Co. I mailed it on the 15th of December.

On the 17th of January I had not yet heard from the A. K. Supply Co., nor had I received my keys.

I phoned Congressman Nix's office and talked with Haig Ellian, an administrative assistant to Congressman Nix, and asked if he could somehow find out if my money order had been signed by anyone at the A. K. Supply Co.

He got back to me on the 18th of January to say that it takes some time to sort through the money orders, but that he had learned that the company was under some sort of surveillance dealing with the possibility of fraud.

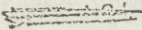
PLEASE SIGN THIS CARD AND RETURN IT WITH YOUR ORDER

TO WHOM IT MAY CONCERN:

I AM PURCHASING THESE GROUPS OF AUTOMOBILE MASTER KEYS IN GOOD FAITH. I HAVE A GENUINE NEED FOR THESE KEYS AND I INTEND TO USE THEM IN A LAWFUL MANNER. I WILL NOT ALLOW MINORS TO USE THEM AND I WILL GUARD THEM AND KEEP THEM IN A SAFE PLACE.

My payment for these MASTER KEYS is enclosed.. Please send them to me.

PRINT NAME _____



SIGN NAME _____

Also, on the 18th I called the telephone information operator in St. Petersburg. She had no listing for the A. K. Supply Co. at the address I gave her. When I asked if they filed numbers by address, she referred me to her supervisor. When I said I wanted the number of the A. K. Supply Co., the supervisor immediately said: "We don't have a number for that firm." I asked how she was so sure of that. She asked: "Is that the automobile key company?" I said it was and she said she had received many calls for them—at least one a day.

I said that I think they'd taken me for some money and she said: "That's what the others told me, too."

She said she could give a number where I might get some more information and she gave me the number for the Better Business people who could be reached through the chamber of commerce at 1-813-862-7701.

The woman who answered at the Better Business office assured me that the firm was a legitimate concern. I asked her about the telephone supervisor's comments and she said the firm had received complaints about delays. She said "he"—without a name—likes to clear the checks before mailing out things. I told her I sent a money order.

She asked if I was ordering keys. When I said I was, she said that the offer had been discontinued on the 30th. She gave no reason. She mentioned he had several firms. I asked about the Overseas Trading Co., and she said it was one of his.

I asked where I could get in touch with the man behind the firm, and she gave me a name, address, and phone number:

Mr. Andrew Prigg, 2854 60th Street North, telephone No. 1-813-347-6753.

I called the number, and a woman said Mr. Prigg was not there but that I could reach him at 525-1005.

When I called that, a woman answered, "Double-0-5." She put Mr. Prigg on the line.

I told Mr. Prigg he was a difficult man to get in touch with, that I had called the Better Business office in St. Petersburg, and they assured me he was a reputable concern.

I then gave the background to Mr. Prigg—my original order, the return for the signature on the card, and my mailing of the order back to him in mid-December. He told me that they held up mailings for 2 weeks. He indicated that this had something to do with the rush of Christmas mail and the fact that they had run out of key blanks.

At no time did he mention, as the Better Business woman had mentioned, that the offer had been stopped as of November 30. He said that they were behind and hoped to ship items within 30 days. I told him that I was glad to hear that because I was just about to yell to the postal money order people to find out what happened to my money.

Mr. Prigg told me that if I didn't have my keys within 15 days, I should write to him. "Is that the address at 2854 60th Street?"

And he said no, that his new address is 3395 55th Avenue North, St. Petersburg, Fla. He said he had been in the back at the industrial park but he was now up on the road.

He asked if the order was in my name, and I said yes, giving him my name and home address once again.

I told him that I would look forward to hearing from him, and then I hung up.

That was last Tuesday, January 18, and I have heard nothing between then and now.

In the conversation that I had with the Better Business Bureau of Greater Miami, Inc.—I'm sorry. This came from the Better Business Bureau in Philadelphia. They had received it from Miami. This is a written report that I don't have duplicated on Mr. Prigg. Would you like me to read it?

Mr. NIX. I would appreciate it.

Mr. DUNCAN (reading):

This company first came to our attention—

That being the Auto Key Supply Co. and the Continental Discount Supply—

in January 1965, at which time they were reported advertising the mail order sale of master keys to fit all cars. We ordered one set for General Motors cars and found that it is possible to open two different Chevrolets with the set of keys.

In February 1965 we asked General Motors to comment on this and were advised that a company in California also sells similar keys and "they find it takes 54 keys to serve the same purpose."

About the same time we wrote to the National Automobile Theft Bureau in Chicago. Our inquiry was referred to the Southern Division at Atlanta, and we have heard nothing further from that organization.

Mr. Prigg responded to our request for information by stating that he started the business two years ago at Erie, Pennsylvania, and that in addition to keys he would be selling by mail order a variety of other items. He stated he was formerly in the used car business for 13 years at Aliquippa, Pennsylvania, Dick's Auto Sales.

In June 1965 an inquiry on Continental Discount Supply obtained a reply from Mr. Prigg that this is another name under which he operates a mail order business. He also indicated that he may use other names from time to time.

We have received numerous inquiries. One complaint of non-delivery of keys was promptly refunded.

I also have some general copies of some of his other advertising material which came to another firm in Philadelphia that they had sent without comment on to the Better Business Bureau in Philadelphia.

Another firm in Philadelphia also mailed some information to the Better Business Bureau in Philadelphia.

And just as a sidelight on what you can buy by mail, this is another firm, the Continental Discount Supply, which is mentioned in Mr. Prigg's report, that should make some used car dealers very happy. It is a little machine that sets back speedometers. Also people who want to trade in cars might find it a valuable little thing to rent out to your friends and neighbors.

So if the keys are effective—and that seems to be one of the problems—are they effective? If they are effective, they are very dangerous.

But even if they are just partially effective, there is a big problem. Henry Montague, who preceded me, said:

That the master keys may not be quite so masterful as held out by those attempting to sell them does nothing to minimize the evil involved.

And I think there is even a greater evil than just the mere stealing of a car. I would see no reason why, if somebody got a set of these keys and they indeed did the job. What would stop them from going to any 5- and 10-cent store, getting a key blank to fit the car, and running off their own batch that they could start flooding around to their friends?

I don't know if this is a possibility or not, but I wouldn't think that it would be an impossibility in this age of technology.

Also, more than just stealing a physical car, what if you wanted to go into the tire business and you spotted all the 1967 cars, and maybe the spare tire hasn't been used on these cars. With the keys you just go in, open the trunk, take out the spare tire, and it may be a week, 2 weeks, 3 weeks, before the owner of that car goes into the trunk and finds the tire missing.

So in a good night's work you could round up quite a few tires that you could sell at some outlet in the city or whatever area you are living in.

So we at WCAU-TV became concerned about the problems involved in this. We are most appreciative of Congressman Nix's reaction. And obviously we hope that the bill is reported out of committee and passed.

Mr. NIX. Thank you very much, Mr. Duncan.

I think it is made abundantly apparent that it is absolutely essential that legislation be enacted in this field.

I will defer any questions I have. I will defer to Mr. Olsen.

Mr. OLSEN. I have no questions, Mr. Chairman.

Mr. NIX. Mr. Cunningham.

Mr. CUNNINGHAM. Well, I want to congratulate the witness. I think he presented excellent testimony.

We always have to worry, as we have for many years on another subject, about the constitutionality of what we do.

I certainly want to stop this practice or I would not have introduced legislation last February.

You and your station have contributed a great public service at least to alert the public.

Mr. DUNCAN. Thank you.

Mr. CUNNINGHAM. And now this gentleman evidently is hiding behind phony addresses and phony statements such as the offer was discontinued November 30.

Mr. DUNCAN. That gentleman did not tell me that the offer was discontinued. I was told that by the woman at the Better Business Bureau.

Mr. Nix. Yes.

Mr. DUNCAN. So he did not say that. I thought it was interesting that he didn't.

Mr. CUNNINGHAM. Did you ask him?

Mr. DUNCAN. No, because I still wanted to be an ordinary citizen trying to get my keys. If I gave or intimated that I was interrogating him, I would have tripped the whole thing.

Mr. CUNNINGHAM. That's right.

Mr. DUNCAN. As to whether or not I can ever get the keys I don't know. But I shall let the committee know if they come in the mail.

Mr. Nix. Surely.

Mr. CUNNINGHAM. We certainly have a problem here. I presume there are people, legitimate people, who could use these. I think it is going to be very difficult, something we will have to work on very carefully, to find out how to separate the legitimate from the illegitimate.

Would you think that will be a problem that we will have to work out?

Mr. DUNCAN. I think it would be a great problem. Of course, history has defined where to draw the line on some things. Maybe the line is more easily drawn on something of this sort.

Mr. CUNNINGHAM. Mr. Chairman, this committee has subpoena powers. The thought occurred to me that perhaps we ought to subpoena, if he won't come on his own, this man that you speak about and put him under oath, try to get to the bottom of this.

This may be a pattern throughout the country. There may be some legitimate people, and there may be a lot of illegitimate.

I just offer that as a suggestion that we can consider later.

Mr. Nix. I think it is an excellent suggestion. I think it should be given very careful thought for possible future action.

Mr. CUNNINGHAM. I feel that our witness has just been given the runaround, which indicates to me that there is something phony about the whole deal.

Thank you, Mr. Chairman.

Mr. Nix. Mr. Duncan, I want in conclusion to thank you very much, first of all for bringing to the attention of the general public something of value, something that affects the interest of by far the majority of the people in our community.

More particularly I would like to thank you for the type of presentation you have made. It is something that has meat in it, that is covered from the beginning to—not the end, because you haven't got the keys yet—but almost to the end of this difficult problem.

Mr. DUNCAN. My pleasure. Thank you.

Mr. Nix. Our next witness is Mr. William Franey, director of the Highway Safety Division, International Association of Chiefs of Police, Washington, D.C.

Mr. Franey, we are very happy to have you here as a witness, and you may proceed at will.

**STATEMENT OF WILLIAM H. FRANEY, DIRECTOR, HIGHWAY
SAFETY DIVISION, STATE AND PROVINCIAL DIVISION, INTER-
NATIONAL ASSOCIATION OF CHIEFS OF POLICE**

Mr. FRANEY. Thank you very much, Mr. Chairman.

Mr. NIX. I would like to remark that we have with us our distinguished chairman of the full committee, Mr. Dulski.

Mr. Olsen has come back, and I am happy to see him.

Mr. FRANEY. Mr. Chairman, members of the committee, I am William H. Franey, director of the Highway Safety Division and the State and Provincial Division of the International Association of Chiefs of Police.

It is a privilege to appear before this subcommittee and offer the recommendations of the police administrators of the United States concerning the proposed legislation which would ban master automobile keys from the mail.

Our association represents approximately 7,000 police executives in the United States, Canada, and other nations of the world. Our membership includes the chiefs of police of most U.S. municipalities, State police executives, Federal law enforcement agencies, and other police administrators from each level of government.

Our association is a nonprofit, educational organization, dedicated to continuous study and research to provide improved methods for the protection of life, liberty, and property through the lawful exercise of police power. The operational work of the association is carried out by a professional staff here in Washington, D.C.

A major staff element of the IACP is its highway safety division, responsible for developing a leadership role for the police in highway safety programs and for all matters concerning the auto and its use. The highway safety division, itself, is supported by its members and through grants from its members and through grants from private organizations.

The association's concern with the problem of auto theft is of long standing. One of our major standing committees is the Auto Theft Committee. Its membership includes 12 of the leading police executives and auto theft prevention experts of the United States and Canada. As early as 1928, the IACP dedicated its efforts to reducing auto theft across the country.

This concern has been a continuing one, and I will illustrate through a few brief chronological examples.

For example, in 1928 we endorsed the use of automobile squads and an automobile theft bureau to reduce the stolen car problem.

In 1961, auto theft was recognized as the fastest growing crime in the United States, and the association strongly endorsed continuous and vigorous prosecution for violations of local and Federal auto theft statutes.

In 1964, the use of master keys was first brought to our attention, and at that time we urged this matter be brought to the attention of legislatures and auto theft investigators for appropriate action.

In 1967, the association urged that mandatory revocation of driver licenses and financial restitution by loss or damage be imposed as a condition of sentence for the crime of auto theft.

We urged automobile manufacturers to improve lock designs, stand-

ardize certificates of origin, and place the vehicle identification numbers in a position plainly visible to all law enforcement officers.

As previously indicated, the IACP is a participating member of the national auto theft prevention campaign and has also been active with the International Association of Auto Theft Investigators.

In 1967, in conjunction with 18 other large, national organizations and the Department of Justice, the IACP embarked on the campaign to prevent auto theft. The objective of the campaign is to reduce crimes of auto theft by removing the opportunities and promoting citizen cooperation with police.

As Quinn Tamm, executive director of IACP, recently stated while addressing the International Association of Auto Theft Investigators:

We are realizing more and more that after the fact law enforcement is not enough. We must prevent crimes from occurring by reducing the opportunities which are now available to potential criminals.

Nowhere is this need more urgent than in the field of auto theft. The majority of auto thefts are committed by youths who are suddenly exposed to an opportunity to obtain a car for temporary use, commonly referred to as "joyriding." The national auto theft prevention campaign is directed at eliminating this "opportunity."

If the opportunity is in fact eliminated, the number of auto thefts will be substantially reduced. This has been dramatically demonstrated in several areas.

In the city of Los Angeles, for example, Chief Tom Reddin sponsored a very active and successful auto theft prevention campaign. In that city, many citizens helped spread the "remove your key" and "lock your car" theme throughout the campaign. The results were gratifying, and a substantial reduction in the number of auto thefts was achieved.

Progress has been made with automobile manufacturers in building antitheft devices into new cars. This year, one of the major manufacturers announced that its new models have a buzzer that reminds each motorist when he has left his key in his ignition and will include a steering wheel and transmission lock. In addition, the vehicle identification number will be located on the dashboard, so it can be plainly viewed from the outside of the car through the windshield. This will be of great assistance to officers in identifying vehicles. However, a steering wheel and transmission lock will be ineffective if master keys are available to nullify these antitheft devices.

In 1966, the Criminal Division of the Department of Justice conducted a survey to gather information which would be helpful in analyzing the crime of auto theft. Statistical information concerning the most common means of gaining entry into the automobile was virtually nonexistent. The same applied to methods for starting cars once the key had been removed and the purposes for which cars are stolen.

After serious deliberation, it was concluded that the desired information could be obtained with the greatest degree of reliability and speed by seeking answers from persons who had committed auto thefts, but were no longer in danger of prejudice from talking frankly about their experiences.

Such a class of persons would most likely be those who, having been convicted and were either serving sentences in prisons or on probation,

or juveniles who had committed auto theft and were in detention or at least under the supervision of the juvenile probation authorities.

Questionnaires were sent to selected Federal and State prisons and probation and juvenile authorities throughout the country, 1,659 questionnaires were completed. These questionnaires covered a total of 4,077 offenses. The results and conclusions of the study were many and varied.

Several of the conclusions of the study should be of particular interest to this subcommittee. It indicated that the purpose of theft was predominantly that of temporary transportation and joyriding. The total of these two purposes was 81 percent of the total crimes of auto theft. The survey showed that the method of entry into the car had been through unlocked doors in 75 percent of the cases. Of the remaining methods 16 percent gained entry by means of a key, either a master key, a key from another car, or the key to the stolen car itself. Of those cars which had not been left with the keys in the ignition or the ignition unlocked, it is interesting that so large a proportion (more than half) were stolen by use of keys, including master, jiggler or tryout keys.

One of the most startling and significant results of the survey was the high percentage of stolen cars which became involved in accidents. As I have said, the most frequent purpose of auto theft is for joyriding and transportation. Statistics indicate that most stolen cars are recovered within a period of 24 to 48 hours after the theft. It is therefore apparent that the great majority of stolen cars are utilized for only a few hours after the initial crime. Most accidents, therefore, usually occur within a short period after the car has been stolen.

Of all the car thefts resulting in accidents, nearly 20 percent resulted in personal injury to one or more persons. Projections indicate that approximately 94,000 stolen cars were involved in automobile accidents in 1966, and more than 18,000 of these accidents resulted in injuries to one or more persons. Estimates indicate that this accident rate for stolen cars is approximately 200 times the normal accident rate.

Such a comparison highlights the importance of reducing auto theft.

Uniform crime reports published by the Federal Bureau of Investigation indicated that in 1966, 63 percent of all persons arrested for the crime of auto theft were under 18 years of age. When persons under 21 are included in the computations, 80 percent of the arrests for auto theft are accounted for.

Compared to other crimes, auto theft had by far the largest percentage of arrests for persons under 18.

It is apparent in these statistics that the automobile is a target of the juvenile offender. Opportunity is a major factor in youth crime and particularly so in auto theft. The accessibility and availability of master keys is an opportunity to the youthful offender which must be eliminated.

In addition, many cars are stolen for use in the commission of other crimes such as murder, robbery, burglary, and so forth. These conditions cannot be overlooked in evaluating the auto theft picture and must be taken into consideration.

Since 1964, copies of mailed advertising have been sent to IACP headquarters from its members throughout the United States and

Canada. These mailed advertisements have originated from various parts of the country, including California, Pennsylvania, Maryland, and Florida.

Manufacturers of keys claim that their distribution is restricted, but in 1964 a special agent of the National Automobile Theft Bureau sent the necessary amount of money to one of the organizations advertising the sale of master keys. The agent did not reveal that he was a member of the National Automobile Theft Bureau.

After a considerable length of time he did receive 64 General Motors master keys. Enclosed with the keys was a card which stated:

Thank you, here are your master keys; please follow these instructions. Simply insert the key in all the way, keep pressure applied to the right side and jiggle the key upwards and downwards. If the ignition switch does not turn on, work the key outward, using the same motions. Be careful so key does not bend or break.

The set of keys was received from the Continental Discount Supply Co., Post Office Box 263, Fairview, Pa.

In 1964, in Kansas City, police conducted a raid on the home of a suspected burglar. During the raid, police collected nine pistols, seven shotguns, a television set, several items of jewelry and a heavy key chain which contained keys fitting various models of automobiles.

In 1965, the Chicago Police Department arrested a 23-year-old auto theft suspect. In the suspect's pockets police found 17 master keys which they said would open most any Ford automobile manufactured. The suspect refused to tell police of his source of the master keys, but the commanding officer of the auto theft section commented that most hot-rod publications advertise the sale of master keys for all makes and models, including foreign cars.

As previously indicated, auto theft is primarily a crime of youth, and a major element of the youthful crime is opportunity. Enactment of the legislation will, in our judgment, eliminate opportunities for theft, significantly reduce the initiation of our youthful citizens into a life of crime, and retard the growth of the auto theft problem.

Through legislation, effective action by auto manufacturers and concerted efforts of citizens and parents, the major role of youth in auto theft can be reduced.

I want to thank you for this opportunity to comment on the proposed legislation and would like to commend the members of this subcommittee for their interest in the auto theft problem and juvenile involvement.

Thank you.

Mr. Nix. Thank you very much, Mr. Franey.

This is perhaps the first time that I have had this particular experience. I have listened to testimony offered by many witnesses covering many subjects having to do with proposed legislation. But I don't remember ever having heard testimony which left me with the certain impression that here is a present, existing need that must be met.

Here is a problem affecting the life of the youth of the Nation, and particularly when you say that 80 percent of the car theft crimes are attributed to the youth of the country.

And the other deep impression that I have is that it is impossible in my opinion to regulate the sale of master keys so that they will not

be illegally used, for the very simple reason that when they are ordered, it is obvious, even to the ill-informed, that the person ordering the key is not going to say, "I intend to use it for an illegal purpose." And there is no restriction on the seller to make inquiry or to investigate.

So it follows that something must be done.

And the interest of the public should always be paramount where there is a conflict.

I thank you very much for being here and for presenting your testimony.

Mr. DULSKI?

Mr. DULSKI. I have no questions, Mr. Nix.

Mr. NIX. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

In two or three places you mentioned you had consultations with the Justice Department.

Mr. FRANEY. Correct, sir.

Mr. CUNNINGHAM. Did you get any satisfaction from them? I mean was this master key problem brought up?

Mr. FRANEY. Yes; it sure was.

Mr. CUNNINGHAM. Did you get any reaction from them as to what their position would be?

Mr. FRANEY. Not as to their position, but there certainly was a concern about the problem.

Mr. CUNNINGHAM. I have experienced several occasions when they are concerned, but when you bring that concern to the Congress in the form of legislation, their concern suddenly evaporates.

Did they bring up any constitutional problems that might be involved, to your recollection?

Mr. FRANEY. Not to my knowledge. They have not. They recognized the need.

I have never seen any proposed legislation on their part. We have kept in constant communication with them. We have referred correspondence to them and advertisements to them on this particular problem. To my knowledge, there has not been any proposed legislation from the Department of Justice.

Mr. CUNNINGHAM. I am certain—and the chairman may correct me—that they have not sent any legislation.

Mr. NIX. No; I would think not. I have not seen any.

Mr. CUNNINGHAM. Mr. Chairman, I just received from my office my original circular on this matter. It is different than that shown by Mr. Duncan. This causes me some concern that this is really a racket and nothing legitimate.

Mr. Duncan's firm was A. K. Supply Co., 4710 28th Street North, Post Office Box 13547, St. Petersburg, Fla. 33733. And then I believe the Better Business Bureau gave him a different address.

Then I note on the back of one of his exhibits the return address is A. K. Supply Co., 2854 60th Street North, Box 13547, St. Petersburg, Fla. 33733.

But the ad itself gives a different address.

This is the A. K. Supply Co.

The one I have which first brought my attention to this is from the Auto Key Supply Co., which is somewhat similar to A. K. Supply

Co., and they give the same street number. That is, the Auto Key Supply Co. gives the same street address as the A. K. Supply Co. It looks to me, and I am convinced, that this is just one big racket.

Mr. FRANEY. Is that Mr. Prigg's firm that you are referring to?

Mr. CUNNINGHAM. This one (indicating document).

Mr. FRANEY. Yes.

Mr. CUNNINGHAM. I don't know whose firm it is.

Mr. FRANEY. We have a roster on Prigg. We also have another name for his organization, the Gulf Automotive Research Co.

Mr. CUNNINGHAM. I note in his ad here it says, "There is no easier, faster, or more economical way to open locked cars."

Mr. MONTAGUE. May I say something off the record?

Mr. NIX. Yes, Mr. Montague.

(Discussion off the record.)

Mr. CUNNINGHAM. On the record.

So, Mr. Chairman, I think there is definitely a case of fraud involved in this, and perhaps that will be the weapon we can use in this instance against this particular outfit. But that may not cover a lot of others.

Mr. Chairman, I will conclude by asking if I may have unanimous consent to include in the record this advertisement plus a release that I issued when I got into this matter.

Mr. NIX. Without objection; so ordered.

(The documents referred to follow:)

NEWS FROM THE OFFICE OF CONGRESSMAN GLENN CUNNINGHAM

Congressman Glenn Cunningham (R-Nebr.), a ranking member of the House of Representatives Post Office Committee, said he is working on legislation that would curb the purchase of master car keys through the U.S. mails.

Cunningham said several firms offer master truck and car keys for sale through the mails and "this is an open invitation to juveniles and persons with criminal intent to steal motor vehicles. Auto thefts already cost this nation \$140 million annually," he added.

The Nebraska Representative wrote the Department of Justice about the problem after receiving a copy of a circular advertising automobile and truck keys for sale by a Florida firm (Editors: note attachment). The advertiser claims the master key sets, which can be purchased through the mails for as little as \$4 a set, will open doors, ignitions, and trunks on major automobile company cars and trucks manufactured since 1940.

"For \$10, a person using a fictitious company name and address could easily purchase master keys for over 15 different vehicles through a mail order house under present laws. This is an open invitation to juvenile delinquency and an increase in car thefts in the United States, and it should be curtailed. During recent hearings, the Senate Juvenile Delinquency Subcommittee predicted that close to four million cars will be stolen in the next five years unless the trend can be reversed. I believe this problem should be a major concern of the 90th Congress," Cunningham said.

Cunningham said he will submit what information he has to the Senate Subcommittee.

SPECIAL BULLETIN

TO: NEW CAR DEALERS POLICE AGENCIES LOCKSMITHS
 USED CAR DEALERS REPOSSESSORS INDEPENDENT GARAGES
 SERVICE STATIONS BANKS & FINANCE COs. PARKING LOTS, ETC.

DOUBLE MONEY- BACK *GUARANTEE ON OUR MASTER KEYS

"3" KEYS TO \$3 ☐ OPEN ALL FORD CO. PRODUCTS	"3" KEYS TO \$3 ☐ OPEN ALL RAMBLER PRODUCTS
"3" KEYS TO \$3 ☐ OPEN ALL CHRYSLER MOTOR CO. PRODUCTS	"6" KEYS TO \$4 ☐ OPEN ALL GENERAL MOTORS CO. PRODUCTS

Our NEW Automatic Machines make PERFECT KEYS everytime!

(THERE IS NO EASIER, FASTER OR MORE ECONOMICAL WAY TO OPEN LOCKED CARS)
 KEYS WILL OPEN DOORS & IGNITIONS ON ALL CARS & TRUCKS BUILT FROM 1955-1967

Our prices are subject to change without notice.

Fla. Residents: ADD 3% sales tax.

SPECIAL 10-DAY OFFER: IF YOU BUY ALL FOUR SETS PAY ONLY **\$8.00**
 (Our LOW PRICES are based on "Payment With Order" please.)

LAST CHANCE!
 Sale positively void after 10 days.

AUTO KEY SUPPLY CO.

2854 - 60TH STREET (N.) Box 13547 ST. PETERSBURG, FLORIDA 33710

* Double your money-back if keys fail to OPEN ALL CARS as shown. Original keys and proof of purchase must be brought to this address by buyer or appointed agent, for field proof try-out.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

Mr. Nix. Thank you very much for an excellent presentation, sir.

Mr. FRANEY. Thank you, sir.

Mr. Nix. Our next witness is Mr. Cornelius R. Gray, director of the Legal Department, American Automobile Association.

Will you take the chair and introduce your associate and proceed?

STATEMENT OF CORNELIUS R. GRAY, DIRECTOR, LEGAL DEPARTMENT, AMERICAN AUTOMOBILE ASSOCIATION, ACCOMPANIED BY CARL A. MODECKI, ASSISTANT

Mr. GRAY. Mr. Chairman, I have with me my assistant, Mr. Carl A. Modecki.

Mr. NIX. We welcome you.

Mr. GRAY. Thank you, Mr. Chairman.

Mr. Chairman, in the interest of time, I think if it is agreeable to the Chair and to the committee, I should attempt to summarize my statement, for the reason that the points I have covered have been covered already.

Mr. NIX. Yes.

Mr. GRAY. As a matter of fact, just about every single one.

I would like to emphasize, though, certain points that are in our statement, and I would like to have the complete statement made a part of the record.

Mr. NIX. Without objection, it is so ordered.

Mr. GRAY. Thank you, sir.

(The prepared statement of Mr. Gray follows:)

PREPARED STATEMENT OF CORNELIUS R. GRAY, DIRECTOR, LEGAL DEPARTMENT,
AMERICAN AUTOMOBILE ASSOCIATION

Chairman Nix and distinguished Committee members, it is a pleasure for me to appear here today and express the policy position of the American Automobile Association on behalf of its ten and one-half million members on H.R. 14404, which would regulate the mailing of automotive master keys.

The official policy position of the American Automobile Association on automobile thefts is contained in a resolution adopted by the delegates at the AAA Annual Convention last October. The main provisions of the resolution provide:

"In order to reduce auto thefts AAA urges:

1. the enactment or improvement of motor vehicle title and registration laws;
2. enactment by the Congress of legislation prohibiting the sale in interstate commerce of motor vehicle master keys except to authorized persons;
3. automobile manufacturers to design motor vehicles so as to make them more theft-proof, such as improvements in door locks, ignition, hood latch, etc.;
4. the AAA National Headquarters and state and local affiliated clubs actively to participate with other interested organizations in a public information campaign educating motorists to the importance of removing keys from unattended vehicles and locking their vehicles."

We support the objectives of H.R. 14404 because we feel regulating the mailing of automotive master keys will assist in the reduction of auto thefts because the sale of these keys is made primarily by mail-order houses.

MAGNITUDE OF AUTO THEFTS

The U.S. Justice Department estimates 650,000 motor vehicles were stolen in the U.S. during 1967. Of these, about 100,000 vehicles were involved in accidents, about one-fifth of them involving death or injury.

MAIL-ORDER BUSINESS

The sale of master keys is confined primarily to mail-order businesses which make no real effort to scrutinize those who purchase the keys to ascertain whether they will be used for legitimate purposes.

We have in our possession circulars mailed throughout the country from two mail-order houses in Florida. My assistant wrote to one of these companies, asking for a set of master keys and enclosed \$10. By return mail he received a card which he must sign and return to the mail-order house in order to receive the keys.

The card reads as follows:

"To whom it may concern: I am purchasing these groups of automobile master keys in good faith. I have a genuine need for these keys and I intend to use them in a lawful manner. I will not allow minors to use them and I will guard them and keep them in a safe place."

A place for his signature is on the card. I would not consider this much of a test of a person's legitimate need for master keys.

Because the particular circulars we have are from Florida firms is not to indicate that that state is the only one where these mail-order houses operate. An article in the "Washington Daily News" of November 30, 1967, states the U.S. Attorney's office in Philadelphia was investigating circulars offering similar master keys. These circulars, according to the story, originated in Philadelphia.

The August, 1966, issue of the "New York Motorist" published by the New York State Automobile Association notes that the New York City police were becoming more concerned with the mounting auto theft rate. The article quotes a police officer as stating: "Car thefts have become easier to engineer because auto keys are available from mail-order houses."

Master keys are attractive to the thief because they permit him to act without arousing suspicion.

The September-October, 1966, issue of the "Journal of American Insurance" noted three examples taken from police files of thieves using master keys to steal and loot cars:

Police in Evanston, Illinois, arrested two car thieves in a stolen 1960 Cadillac. In their possession were 79 master keys which police traced to a mail-order firm in California.

New Jersey police caught seven young girls riding in a stolen car. The 17-year-old driver had a set of 27 master keys.

Kansas City police raided the home of a suspected burglar. Found with the stolen loot was a set of master car keys.

This same article tells of an agent for the National Automobile Theft Bureau who purchased a set of master keys from a firm in Pennsylvania. He reported, "At no time during the entire correspondence between myself and this concern was I asked about, nor did I furnish, any business affiliation."

Since the sale of master keys is primarily a mail order business, we think H.R. 14404, which would prohibit the use of the mail to transport such keys, except to the authorized persons specified in subsections one, two and three of the bill, would be helpful in reducing auto thefts by making it more difficult for unauthorized persons to obtain such keys.

We do not feel qualified to intelligently comment on who should be included as an authorized person entitled to receive these keys in the mail. We do, however, support that part of the bill which permits the Postmaster General to require, as a condition to accepting these keys, a statement by the person mailing them that he will not be in violation of this legislation.

As we interpret this particular provision of the bill, the Postmaster General is authorized to issue a regulation in effect making it mandatory that such mail-order houses scrutinize all orders for master keys before mailing such keys.

The magnitude of the problem of auto thefts can easily be seen when one considers that in 1965, 493,100 automobiles were stolen—more than 1,300 every day and that in two years this has jumped to an estimated 650,000 vehicles—or more than 1,800 every day.

Recently the Department of Justice conducted a survey of 4,000 auto thefts and they found that 76 percent of stolen automobiles had been left unlocked and 59 percent had the keys in the ignition or the ignition in an unlocked position.

While we realize that the bill under consideration before this Subcommittee does not direct itself to this particular type of situation, efforts have been underway under the leadership of the Department of Justice and interested national and local organizations who have banded together to conduct a national auto theft prevention campaign alerting the public to remove their Ignition keys and to lock their cars.

Material for advertising and billboard campaigns was prepared. Small stickers to be placed on parking meters, warning drivers to lock their cars were included. More than 225 cities in 43 states ordered over 1.3 million items of campaign material.

AUTO THEFT AND JUVENILE DELINQUENCY

Another reason for our concern with the problem of auto thefts is the fact that there is a close relationship between juvenile delinquency and such larceny. Testimony, last year, before the Subcommittee to Investigate Juvenile Delinquency of the Senate Judiciary Committee indicated a large number of juveniles first ran afoul of the law by taking a motor vehicle.

The Subcommittee in a recent report (Senate Report 823) made three recommendations on the problem of delinquency and auto thefts, the first of which read as follows:

"1. Adequate regulation should be placed on the manufacture and distribution of master auto keys and other similar devices that facilitate the entry into cars and the operation of ignition systems."

The Subcommittee is also interested in the problem of auto theft because "over 80 percent of the offenders are young people under 25 years of age."

Since master keys are readily available to the youngsters as well as the locksmith via the mails, his first criminal act is fairly easy to bring off. For \$3 he can get a set of keys and away he goes.

Thank you, Mr. Chairman.

SPECIAL BULLETIN FINAL OFFER

Now! You Can Open Any Car or Truck

TO:

NEW CAR DEALERS
USED CAR DEALERS
SERVICE STATIONS

POLICE AGENCIES
REPOSSESSORS
BANKS & FINANCE COs.

LOCKSMITHS
INDEPENDENT GARAGES
PARKING LOTS, ETC.

DOUBLE MONEY-BACK *GUARANTEE ON OUR MASTER KEYS

"3" KEYS TO \$3

OPEN ALL

FORD CO. PRODUCTS
(Fords, Lincolns, Mercurys, T-Birds, Mustangs, etc.)

"3" KEYS TO \$3

OPEN ALL

RAMBLER PRODUCTS
(Americans, Ambassadors, Rebels, etc.)
(PLUS JEEPS and INTERNATIONAL Lines)

"3" KEYS TO \$3

OPEN ALL

CHRYSLER MOTOR CO. PRODUCTS
(Chryslers, Plymouths, Dodges, De Sotos, Valiants)

"6" KEYS TO \$4

OPEN ALL

GENERAL MOTORS CO. PRODUCTS
(Chevys, Olds, Pontiacs, Buicks, Caddies, etc.)
(P.S. Also opens MANY H.D. Motorcycles)

THANK YOU FOR
READING THIS
CIRCULAR.

(THERE IS NO EASIER, FASTER OR MORE ECONOMICAL WAY TO OPEN LOCKED CARS)

KEYS WILL OPEN DOORS & IGNITIONS ON ALL
CARS & TRUCKS BUILT FROM 1955-1967

Our prices are subject to
change without notice.

Fla. Residents:
ADD 3% sales tax.

SPECIAL 10-DAY OFFER: IF YOU BUY ALL
FOUR SETS

PAY ONLY \$10.00+ NOW!

(Our LOW PRICES are based on
"Payment With Order" please.)

OVERSEAS TRADING CO., LTD.

P. O. DRAWER 5217

GULFPORT, FLORIDA 33737

* Double your money-back if keys fail to OPEN ALL CARS as shown. Original keys and proof of purchase must be brought to this address, for field proof try-out.

DEC 12 1967

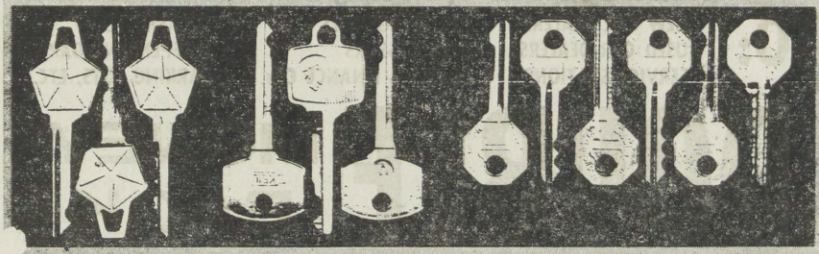
ATTENTION ▶

- NEW CAR DEALERS
- USED CAR DEALERS
- AUTO WRECKERS
- AUTO AUCTIONS
- MUNICIPALITIES
- BANKS

- AUTO BODY SHOPS
- AUTO RENTAL AGENCIES
- REPOSSESSORS
- COLLECTION AGENCIES
- POLICE AGENCIES
- FINANCE Companies

- WHOLESALERS
- PARTS STORES
- INDEPENDENTS
- PARKING LOTS
- TRAFFIC MANAGERS
- Gov't. Agencies, etc.

NEED MASTER KEYS?



OUR KEYS WILL OPEN DOORS AND IGNITIONS ON ALL CARS & TRUCKS BUILT 1955-1967.

(Prices Subject to Change)

(Fla. Buyers Add 3% S. T.)

There is no EASIER, FASTER, or more ECONOMIC way to open locked vehicles.

STOP LOSING SALES! • SAVE ON SERVICE CALLS!

3 - KEYS TO OPEN ALL FORD CO. PRODUCTS
(FORDS, LINCOLNS, MERCURYS, etc.)

\$5 ☐

3 - KEYS TO OPEN ALL CHRYSLER MOTOR CO. PRODUCTS
(CHRYSLERS, PLYMOUTHS, DODGES, etc.)

\$5 ☐

6 - KEYS TO OPEN ALL GENERAL MOTORS CO. PRODUCTS
(CHEVYS, OLDS, BUICKS, PONTIACS, CADDYS, etc.)

\$6 ☐

**N
O
W**

\$12⁰⁰

BUY'S ALL
THREE
GROUPS

(Original Retail Value \$16.00)

(OUR LOW PRICES ARE BASED ON "PAYMENT WITH ORDER" PLEASE.)

▶ In lots of "TEN" or more complete sets . . . your cost will be ONLY \$9.00 per set. (WE PAY ALL POSTAGE) ◀

"MONEY-BACK GUARANTEE"

If, for any reason, you are not completely satisfied with your purchase . . . simply return merchandise in good condition along with a photostatic copy of your original check and you will receive full refund. Returns must be shipped within a ten-day period from date of arrival for refund purposes. Sorry . . . No Sales to Individuals! (Please guard your keys against unlawful use.)

(PRINTED IN THE U.S.A.)

Order Today

SEND CHECK or MONEY ORDER to ▼

A. K. SUPPLY CO.

4710 - 28th STREET (N)

P. O. BOX 13547

ST. PETERSBURG, FLORIDA 33733

Mr. GRAY. You will note on page 1 we point out the resolution which contains the policy position of the American Automobile Association which was adopted at the annual convention last October here in Washington.

I might also emphasize that the AAA speaks for roughly 10 and a half-million members.

Part of this resolution, as you will see in point 2, calls for enactment by the Congress of legislation prohibiting the sale in interstate commerce of motor vehicle master keys.

We feel that the present bill before the committee would go a long way in accomplishing that objective, as we point out on page 2, since the sale of the keys is made primarily by mail-order houses.

You will note attached to our statement are two of the circulars which you have already seen by these companies, the Overseas Trading Co. and the A.K. Supply. I won't go into that any more.

I would like to point out, however, that we have had this matter brought to our attention from numerous AAA members from around the country, and that is why we are so concerned and have adopted a policy position.

Now, you will note at the bottom of page 2 that my assistant, Mr. Modecki, took it upon himself to mail \$10 to the A.K. Supply. And if you need substantiation of Mr. Duncan's statement, he has had a similar experience, except his was a cash payment which was returned together with the same card that Mr. Duncan received, and which was signed, of course, and returned. And he doesn't have the keys or his \$10.

If we get the keys in the mail, we will so advise the committee.

On pages 3 and 4 we point out and try to emphasize that the circulars emanate from the mail-order houses, and we give specific examples.

For example, police in Evanston, Ill., arrested two car thieves in a stolen Cadillac. In their possession were 79 master keys which were traced to a mail-order firm in California.

New Jersey police caught seven young girls riding in a stolen car, and the 17-year-old driver had a set of 27 master keys.

So they do get into the hands of the youngsters.

There were some statistics that I did think were very, very pertinent. According to the U.S. Department of Justice, they estimate that 650,000 motor vehicles were stolen in the United States during 1967, and of these it is estimated 100,000 were involved in accidents, about one-fifth of them involving death or injury, which is highly significant I believe.

Kansas City police raided the home of a suspected burglar—I believe this is a similar case to that which Mr. Franey spoke of—and found with the stolen loot was a set of master keys.

Then I go on to point out that we don't particularly feel competent to intelligently comment on the exceptions contained in the bill—that is, those who would be eligible to receive such master keys.

As a matter of fact, I might say we tried to find out from our own people in the American Automobile Association. We made a few inquiries, and it seems to be sort of divided.

I would emphasize we have over 250 affiliated AAA clubs throughout the country. Most of the clubs, if not the vast majority of them, of course, in connection with their emergency road service which is furnished to each member, assist those persons who lose their keys or lock the car with the key inside. They call emergency road service, and usually the emergency road service garage is a locksmith.

So that we really don't have a necessity, but there are exceptions to it. Some of the smaller clubs might provide their own emergency road service, and thus would have need for those keys.

And so, if there is to be one, I would prefer that the exception which goes to the motor clubs be retained in the bill.

I would say that the great, vast majority of the clubs would not have need for it, but some might.

There is one particular part of the bill that I would like to comment on, and that is the clause at the bottom of the second page starting at line 17, through line 2 on page 3.

As we interpret this particular paragraph, it would permit the Postmaster General to issue a regulation which would have the effect of making it mandatory for the mail-order house to scrutinize, to make sure that the keys are mailed only to those persons entitled to them under paragraphs (1), (2), and (3) of the act. I hope our interpretation of that is correct.

I can't speak for the Postmaster General or the internal regulations or how they carry them out. But that's the way we interpret it, and we think it would go a long way in helping solve this problem.

As a matter of fact, in this connection, there has been reference made to other bills. There are several other bills before the Congress. I have a listing of them here, I believe.

Those bills are basically concerned with prohibiting the sale of the master keys in interstate commerce. Some of them have similar exceptions to legitimate concerns.

We feel that this particular bill, while it doesn't go to the sale of the keys, since the vast majority of them are mail-order houses, by preventing the mailing of the keys to unauthorized persons it would have the same effect as the other bills prohibiting sale.

Maybe we need both. Probably we do.

I think the magnitude of the problem can be realized when one considers that in 1965, 493,100 automobiles were stolen. That is more than 1,300 every day. And in 2 years this has jumped to an estimated 650,000 vehicles, or more than 1,800 every day.

While it does not direct itself to this particular bill, a very important consideration—and it has been discussed here—is the auto theft and the juvenile.

But I do quote—and I think it is highly significant—at the top of page 6 the recommendation of the Senate subcommittee that was studying juvenile delinquency last year. Their report, Senate Report 823, made three recommendations, one of which reads:

Adequate regulation should be placed on the manufacture and distribution of master auto keys and other similar devices that facilitate the entry into cars and the operation of ignition systems.

Then the subcommittee pointed out, and I quote:

Over 80 percent of the offenders are young people under 25 years of age.

I conclude that since master keys are readily available to the youngster as well as the locksmith via the mails, his first criminal act is fairly easy to bring off.

As a matter of fact, for \$3 he can get a set of keys, and away he goes.

Mr. Chairman, I would like to pass this material up to you because reference has been made to it. We have the figures in our testimony. Reference has been made to the very high percentage of automobiles that are stolen because of the key being left in the car, in the ignition, or because of the car being left unlocked.

I know this bill does not go into that, but a tremendous effort has been made through what we call the national auto theft prevention campaign. We participated with many other national and local

organizations, mostly national. A listing of their names is shown. The U.S. Department of Justice was the coordinator.

I think in my testimony I indicate that this campaign material to alert the motorists throughout the country to lock their cars has been successful to a certain extent. As a matter of fact, more than 225 cities in 43 States have already ordered over 1,300,000 items of campaign material.

I realize that this bill does not go into that particular problem. But I think the committee should realize that efforts are underway not only to alert the motorists because of the high percentage of thefts to lock their cars and remove the key, but similar efforts are well underway by the automobile manufacturers. Improvements have been made. More will be made in the 1969 models to make the car more theft-proof, which will be improved ignition tied in with the steering column, and so on.

Efforts are also underway in the States to tighten up the title and registration laws.

Another attack is being made by the Department of Transportation's Highway Safety Bureau with the issuance of a regulation to require certain standards on new automobiles. I believe they will come out in 1969.

So efforts are being made, but we still have this problem with the master keys.

Mr. NIX. Yes, of course.

Mr. GRAY. Yes, sir.

Mr. NIX. Mr. Gray, I thank you very much for being here with your associate.

Essentially, the major question is the master key.

Mr. GRAY. That is right.

Mr. NIX. The question of leaving doors unlocked and keys in the ignition seems to me to be a question of educating the general public.

Mr. GRAY. That is right.

Mr. NIX. Now, it is, of course, interesting to consider both of the questions, because it becomes easily apparent that the theft of automobiles is the thing that is causing all of the trouble; 650,000 automobiles stolen in 1967 is a staggering statistic.

Mr. GRAY. That is right.

Mr. NIX. And if anyone doubts the enormity of the problem, certainly that figure jogs his senses back to normal.

And the further fact that the offenses are in great measure committed by the youth of the country is another very, very serious concern.

Mr. GRAY. That is right.

Mr. NIX. It should be a serious concern for the people of this country.

And again I want to say that I had not known that so many people—agencies and radio stations—had seen what the subcommittee or some members of the committee and some Members of the Congress had not brought to the attention of the Congress.

Now, of course, I hasten to say, in defense of Members of Congress, that they have a million other things that must be brought to the attention of Congress, and they can't be expected to bring every problem.

Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

I think this is a serious problem, and we have to get to the meat of it one way or the other.

The questions I am about to ask do not reflect my own viewpoint because I had introduced legislation that went to the Interstate and Foreign Commerce Committee to try to accomplish what we are trying to accomplish here.

Mr. GRAY. I might say, sir, we have formally requested hearings be held at the earliest possible date on those bills to the chairman.

Mr. CUNNINGHAM. Thank you, sir.

You are a lawyer?

Mr. GRAY. Yes sir.

Mr. CUNNINGHAM. Have you ever had contact with the Justice Department on this matter?

Mr. GRAY. Only indirectly, in connection with mapping out the campaign. If you are driving at the constitutional question, I haven't gone into that. I just didn't realize it was a question involved. It could be. I haven't really given it serious thought.

Mr. CUNNINGHAM. When you recite these figures on page 4 as indicating the tremendous jump in automobile thefts, would this be a gradual jump because of the increased number of automobiles? Or do you consider it, as an expert in this field, to be an unusual increase?

Mr. GRAY. I think you will find, sir, that the jump has been most unusual the last several years. It has been dramatic in the last 2 years and has been increasing tremendously.

Mr. CUNNINGHAM. Then this leads to the question I want to ask. When did they first develop these master keys? Has that been a recent development, to your knowledge?

Mr. GRAY. I couldn't say. I don't know how long they have been available.

Mr. CUNNINGHAM. I never heard of them until early in January of last year when somebody sent me this circular.

Mr. GRAY. Well, it goes back a lot beyond that.

Mr. CUNNINGHAM. Well, I am sure it does. I am trying to see if there is a correlation between this dramatic increase in thefts and the use of master keys.

Mr. GRAY. I would doubt it. I would doubt that the use of master keys alone is a factor. I don't know how you would attribute that.

Mr. CUNNINGHAM. I understand that, but I see such a dramatic jump.

Master keys were unknown to me 2 years ago. I am just wondering how old that racket is, if I could use the term.

Mr. GRAY. About 1964 my assistant tells me.

Mr. MODECKI. This is when we first began to get copies of this literature.

Mr. GRAY. The circulars.

Mr. CUNNINGHAM. Then wouldn't you assume it is a recent development?

Mr. GRAY. It could be.

Mr. NIX. Would the gentleman yield? Wouldn't you rather say that since the advertisement announces to the world that, "We have keys for cars from 1955 through 1967," that the organization selling

master keys has been in existence let's say since the fifties but they put on a vigorous campaign to bring this to the attention of a greater number of people, and that, along with the greater number of automobiles, will be the reason for the big jump?

Mr. GRAY. When we say 1964, that's about when our clubs and members started sending in to us these circulars that came into their hands.

Mr. NIX. Mr. Cunningham.

Mr. CUNNINGHAM. This committee has had some unfortunate experiences with the Justice Department in other fields so far as what passes through the mail is concerned, and that is why I bring this matter up, as to whether or not we can find a clue as to their position.

I am wondering whether or not these keys—there are people that have a legitimate use for them—might not have to be, if they are purchased, registered like we have to register a gun so that the authorities would know who has them.

Mr. GRAY. I would doubt it. I think an attempt has been made along that line by certain States. Very few of them. I don't know whether it is five, six, seven, or eight. I have copies of some of the State laws which have been recently enacted. Most of them have been recently enacted.

Last year there was a flurry because the State legislatures were becoming concerned.

And reduced to its simplest form, I would say that the State laws make it unlawful to sell master keys except to authorized persons. I doubt that they will accomplish the objective because of the fact that these are mail-order houses, and the sale is completed in another State.

Mr. CUNNINGHAM. This leads me to a final question. You say States have laws that these shall only go to authorized persons.

Mr. GRAY. Only a very few States have such laws.

Mr. CUNNINGHAM. And I believe you made a statement to the effect that perhaps the Postmaster General could make certain these keys go only to legitimate users.

Mr. GRAY. Through his power of regulation, as I interpret that paragraph at the bottom of the second page.

Mr. CUNNINGHAM. I think that would be very difficult to accomplish, because who is to judge who is a legitimate user?

Mr. GRAY. Well, that is specified in paragraphs 1, 2, and 3 on page 2 of the bill. In other words, when I think of the regulation—and I certainly don't mean to try to speak for the Post Office Department—they are very able to speak for themselves.

Mr. CUNNINGHAM. I understand.

Mr. GRAY. But it seems to me that a regulation could be drawn under the authority of the last few lines at the bottom of page 2 which would require any mail-order house advertising such keys to fill out a certain form, not the type that they sent to my assistant and sent to Mr. Duncan, but one which would accomplish the objective to make certain, or at least as certain as you can be, that they are not selling to unauthorized persons.

Then, of course, if they do sell—well, at least you have minimized it through regulation.

Mr. CUNNINGHAM. We have another witness, but I will just say I think the Postmaster General would have an awful time determining a legitimate person.

Any teenager, for example, might have a case in court that he is a legitimate person to receive these keys because perhaps he works on various automobiles that he has in his backyard.

Mr. GRAY. I am well aware of that. And Chairman Nix alluded to his dislike of the exceptions. I can very well see the problem when you include a local service station who may have a tow truck to go out. But, as I said in my statement, I don't feel qualified to exempt them. However, I know the hazards that we are running by leaving them in there.

Mr. CUNNINGHAM. Well, you have been very helpful, sir.

Mr. GRAY. Thank you, sir.

Mr. CUNNINGHAM. The questions I asked I only asked for information.

Mr. GRAY. Right.

Mr. CUNNINGHAM. I am very vigorously in favor of some legislation in this field, and I would like it to pass the courts, too.

Mr. NIX. Thank you very much, Mr. Gray and Mr. Modecki.

Our last witness is Melvin L. Stark, manager, American Insurance Association.

STATEMENT OF MELVIN L. STARK, MANAGER, WASHINGTON OFFICE, AMERICAN INSURANCE ASSOCIATION

Mr. STARK. I have a brief statement which I would like to read, and I will be available for questions.

Mr. NIX. Quite all right, sir.

Mr. STARK. Mr. Chairman, members of the committee, the American Insurance Association appreciates the opportunity to testify as a proponent of H.R. 14404 introduced in the House of Representatives by Hon. Robert N. C. Nix on December 12, 1967.

The American Insurance Association is a trade and advisory group representing the property and liability insurance interests of 170 member companies who do business throughout the United States. Policies are sold through independent insurance agents and brokers. A large majority of these companies write automobile insurance coverages, including automobile theft protection.

H.R. 14404 is one of many bills introduced in the 90th Congress which seek to regulate and control the sale and distribution of automobile master keys. These measures are a consequence of the sharply rising rate of auto thefts in the United States, much of which is aided and abetted by the widespread availability of master keys for motor vehicles.

As major underwriters of automobile theft insurance, our membership is deeply concerned not only with the losses suffered under insurance contracts, but also with the socioeconomic implications to our national life. We have given our strong support to the national auto theft prevention campaign coordinated by the U.S. Department of Justice, which numbers many worthy participant organizations among its membership.

With more than 550,000 cars stolen in 1966, representing automobile theft losses in excess of \$140 million, it is appropriate that

vigorous and decisive efforts be made to cope with this deplorable situation. Unfortunately, the great bulk of offenders are young people, and the relative ease with which cars are stolen even for a brief "joy ride," lends encouragement to our Nation's youth to commit other acts of lawlessness that contribute to rising juvenile delinquency and a casual attitude toward established law and order.

We are additionally concerned by the numerous accidents involving stolen cars when injury and property damage add further cost and suffering. Automobile liability insurers are frequently faced with difficulty in the investigation and disposition of claims made by third parties when cars are driven by auto thieves in reckless disregard of rules of the road, aside from the automobile insurance coverage complications which flow from the use of a car without the insured's permission.

Congressman Nix's measure is concerned with the use of the mails by those acting to distribute master keys for motor vehicle ignition switches. We endorse this approach as a constructive one, though it is limited in scope.

The proposed standard of the National Highway Safety Bureau, related to a key-locking system for all passenger motor vehicles, reinforces the coming need for thoroughly effective measures that can solidly treat the auto theft problem.

Education campaigns directed to American motorists regarding care and control with respect to avoiding auto theft, is proceeding at many levels, private and public, throughout the country. These efforts, in conjunction with hard-hitting Federal legislation, can provide the means whereby auto thefts are decreased, temptation to commit theft removed, and a brighter picture of juvenile respect for law foreseeable.

The American Insurance Association accordingly supports H.R. 14404, and it will support all other meaningful proposals designed to decrease the rising rate of auto thefts and the heavy dollar loss resulting therefrom.

Thank you.

MR. NIX. Mr. Stark, I want to thank you very much for being here today, and I want to say that I agree that the proposed legislation is limited in scope. That is one of the problems that the subcommittee, and later the full committee, will have to face. How far can we legally go in this sort of legislation? What are the equities? How are we to balance the equities and arrive at something that is meaningful in the way of legislation?

I am not too satisfied with permitting keys to go here and go there. I, at this moment, am not aware of how to avoid creating these categories where people are entitled to them. I don't know about the protections that could be used to prevent their misuse.

So there are many problems. But the point is we recognize the compelling necessity for legislation in this field, and we feel that we are on the way to doing something about it.

Mr. Cunningham.

MR. CUNNINGHAM. Thank you, Mr. Chairman.

On behalf of the minority, I want to thank Mr. Stark and all the other witnesses. Their testimony is very constructive.

I have just one observation. You may wish to comment.

You say on page 2:

We are additionally concerned by the numerous accidents involving stolen cars when injury and property damage add further cost and suffering.

By that very statement you are proving to every automobile owner that the cost of his insurance is going to have to rise because of this situation, aren't you? You are going to have to pay claims, and you are in the business to make money. And so you are going to have to share the cost of all of this with the other policy owners?

Mr. STARK. I would like to qualify that for the record. My statement, Mr. Cunningham, relates to the fact that the theft of automobiles used then for joyriding and involved in such a high percentage of accidents when they are used without permission of the owners, causes problems in handling claims, the result of which is that if a car is used—and this is a standard provision in any automobile insurance policy—if the car is used without the owner's permission, there is no insurance coverage for the individual who is using that car.

The coverage is always there for the owner of the car or the insured.

The problem comes in when there may be a need for heavy investigation to prove that at the time of the accident not only was the car not being used by one who was entitled to use it but that the driver was not an agent of the insured.

This is where our problems come in in investigation.

I think, Mr. Nix, you may have handled some of these cases in your time.

Mr. NIX. Yes.

Mr. STARK. And you know that we have to decline coverage as far as the third party is concerned when it is shown that the car was not being used with permission of the insured or by the insured.

That doesn't take away any of the suffering and the loss caused to a third party.

The point I particularly wanted to make there, Mr. Cunningham, was that it does not necessarily cause the price of insurance to go up, because the insurance company won't pay on behalf of that individual except to the extent that additional expenses are involved of investigating the loss.

If the third party can show that the car was being driven at the time of the accident with the insured's permission, then we don't have a theft, and then there is a coverage, and then a payment will be made under the automobile policy which will result in higher premiums eventually.

Mr. CUNNINGHAM. Thank you for that clarification.

Thank you, Mr. Chairman.

Mr. NIX. Thank you very much, Mr. Stark.

I thank all of the witnesses for giving us the opportunity to listen to testimony that is highly informative and certainly directed to the point of the legislation that we propose to consider.

The subcommittee will be in recess until tomorrow morning at 10 o'clock in this room.

(Whereupon, at 12 noon, the subcommittee recessed, to reconvene at 10 a.m., Wednesday, January 24, 1968, in room 210, Cannon House Office Building.)

REGULATE THE MAILING OF MASTER KEYS FOR MOTOR VEHICLES

WEDNESDAY, JANUARY 24, 1968

**HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTAL OPERATIONS OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.**

The subcommittee met, pursuant to recess, at 10:05 a.m., in room 210, Cannon House Office Building, Hon. Robert N. C. Nix (chairman of the subcommittee) presiding.

Mr. NIX. The subcommittee will be in order.

Before we begin, let me again express the appreciation of the subcommittee for the appearance of the witnesses here. We think that the legislation under consideration is of deep concern to the people of this country, and we of the committee are certainly deeply concerned. We appreciate the fact that you are present.

Our first witness is Mr. Wallace M. Smith, branch manager, Mid-Atlantic branch, American Mutual Insurance Alliance.

Mr. Smith, will you take the chair and proceed?

STATEMENT OF WALLACE M. SMITH, MANAGER, MID-ATLANTIC OFFICE, AMERICAN MUTUAL INSURANCE ALLIANCE, ACCOMPANIED BY LEE B. HOLMES, COUNSEL

Mr. SMITH. Thank you, Mr. Chairman.

Mr. Lee B. Holmes, who is counsel in our Washington Mid-Atlantic office, is also with me this morning.

Mr. NIX. Welcome, Mr. Holmes.

Mr. HOLMES. Good morning, sir.

Mr. SMITH. The American Mutual Insurance Alliance is a voluntary trade organization consisting of 122-mutual fire and casualty insurance companies. The alliance's principal office is located in Chicago and it has branch offices in New York City, Boston, Atlanta, Denver, San Francisco and Washington, D.C.

The problem of increasing automobile thefts has become a major concern of law enforcement groups in our Nation. This type of theft leads many of our young people into future lives of crime.

We in the insurance industry are keenly aware of this matter. Our statistics reveal that automobile thefts have more than doubled in the last 10 years, from 253,900 auto thefts in 1956 to 544,992 by 1966.

I believe there is an approximation of 657,000 for the year of 1967, Mr. Chairman.

The direct financial loss from mounting auto thefts is now more than \$140 million a year. Most of the economic loss caused by car

thefts is covered by insurance, but the insurance buying public pays the price of the rising number of automobile thefts by increased premiums.

Certainly there are numerous reasons for the increase in car thefts, but it cannot be doubted that part of the reason lies with the easy availability of master keys.

With these master keys, thieves are given additional tools to make their crimes easier to perpetrate. We support H.R. 14404 on the basis that legislation is needed in order to curtail the availability of these master keys.

Attached to this statement are copies of two articles from the Journal of American Insurance, an alliance publication. The September-October 1966 issue contains an article entitled "Master Keys Make Master Thieves." We believe this article clearly demonstrates the problem from the insurance industry's point of view.

The May-June 1967 issue deals with the ever-increasing number of automobile thefts in the United States in an article entitled "When Will Your Car Be Stolen?"

We believe the information in these articles will be of interest to the committee.

I would like to interject here, Mr. Chairman, that Mr. Kennedy, of your committee's staff, inquired if we had information relative to the stripping of automobiles, and we do have an article which we also have attached to our statement. It is entitled "Car 'Cannibals' and Their Vices." It is taken from an issue of the Journal of American Insurance, March 1964, volume 40, No. 3.

If you would so desire, we would offer the article to be included in the record, Mr. Chairman.

Mr. Nix. Mr. Smith, without objection the article mentioned by you a moment ago will be entered into the record, along with the articles attached to the statement that you made.

(The articles referred to follow:)

[From the Journal of American Insurance, September-October 1966]

MASTER KEYS MAKE MASTER THIEVES

Mail order "jiggler" or manipulative auto keys are aiding car looters and auto thieves.

Who has keys to your car? You do, naturally, but so could the garage mechanic down the street, the kid next door or a gang of car thieves.

Getting the keys to your car is easy. Master keys which will open the locks of any car on the road can be purchased from a number of mail-order firms—and in many cases with no questions asked. A Minnesota firm advertises a set of 108 keys which will open door, ignition, trunk and compartment locks of all Ford models from 1952 to 1964. A Maryland company offers for \$19.95 a 64-key General Motors master set "certified to open doors, trunks, ignitions of every GM car on the road today." A Pennsylvania mail-order firm advertises master keys for Fords, Lincolns, Mercurys, Ramblers, General Motors and Chrysler cars. These key sets range in price from \$5 to \$18.

Mail-order master-key firms solicit business by direct mail and through advertisements in national magazines and auto trade journals. Ads carefully caution that key sets are for legitimate use by car dealers, finance company repossessioners, auto garages and parking lot operators. But police suspect that a growing number of car thieves are among the customers, too, and trace part of the 11.2 per cent increase in auto thefts in 1965 to the sale of master keys. To support this suspicion they point to: (1) The rising number of stolen cars recovered which show no signs of forcible entry; (2) The increasing number of cars stolen from once comparatively safe parking lots and garages.

Are thieves using master keys to steal and loot cars? Here are a few examples from police files:

Police in Evanston, Illinois, arrested two car thieves in a stolen 1960 Cadillac. In their possession were 79 master keys which police traced to a mail-order firm in California.

New Jersey police caught seven young girls joy riding in a stolen car. The 17-year-old driver had a set of 27 master keys.

Kansas City police raided the home of a suspected burglar. Found with stolen loot was a set of master car keys.

One of the organizations most concerned with the uncontrolled sale of master keys is the National Automobile Theft Bureau. NATB, a nonprofit agency supported by more than 380 member insurance companies, early recognized the dangers of mail-order master keys. When ads first began to appear in magazines, NATB agents wrote to various mail-order firms to buy master keys.

One agent who purchased a set of General Motors master keys from a firm in Pennsylvania reported: "Anyone can purchase master keys from this organization. At no time during the entire correspondence between myself and this concern was I asked about, nor did I furnish, any business affiliation."

So far, there is little that can be done legally in most states to regulate the manufacture and sale of master keys. However, three states—Texas, Oregon and Massachusetts—recently passed laws prohibiting the sale of these keys. In Texas the sale of a motor vehicle master key is a misdemeanor punishable by a fine of \$25 to \$200. A stronger law enacted this spring in Massachusetts provides that anyone selling a master key for illegal purposes shall be punished by a fine of not more than \$500, imprisonment for not more than 1 year, or both. In addition, both the Massachusetts and Illinois legislatures have amended their burglary tool possession laws to include master keys. Stiff penalties are provided in both states.

But even if all states had laws forbidding the sale of master keys, the U.S. mails could still be used to buy them and states would be powerless to stop it, says Senator Abraham Ribicoff of Connecticut. Senator Ribicoff recently introduced a bill aimed at halting the indiscriminate sale of master keys in interstate commerce. It would allow the sale of master keys only to legitimate users such as car dealers, locksmiths and car rental agencies. Special postal regulations control mail shipment and advertising. Violators would be fined not more than \$2,000, imprisoned not more than 5 years, or both.

Auto manufacturers, too, are becoming increasingly concerned with the master key menace. General Motors, which now has about 1,330 different lock patterns for its present cars, will markedly increase the number in its 1967 models. Engineers say that a kit of 700 keys will be needed to open all GM cars. Fewer than 100 are needed now. Ford Motor Company recently introduced two-edged keys which provide three times as many possible combinations as former single-edged keys.

What is the solution to the growing master key problem? Michael J. Murphy, president of the NATB, says that part of the answer is the adoption of inter-related federal and state laws making it illegal to sell, possess or receive master keys unless they are for legitimate users. But Murphy also warns that legislation alone will not stop car thefts.

During 1965, more than 520,000 cars were stolen in the United States and countless others broken into and looted by thieves. Most thefts occurred because owners carelessly left keys in the ignition or doors unlocked, making the use of master keys unnecessary.

[From the Journal of American Insurance, May-June 1967]

WHEN WILL YOUR CAR BE STOLEN?

Mounting auto thefts increase odds that your car will be a target before you trade it in.

A New York City auto rental agency now advertises: "Car stolen? Special rate if your insurance company is reimbursing you."

This ad is pitched for a growing market: those unfortunate motorists who must rent cars because their autos have been stolen. Whether you will soon be a member of this group depends in part on where you live. But the chances that your car will be stolen, wherever you live, are increasing rapidly. Last year in New York City, for example, 1 in every 41 cars registered was reported stolen. A New Yorker who buys an auto this year and keeps it for the typical four-year period stands 1 chance in 10 of having the car stolen before he trades it in.

Chances of being victimized by auto thieves are even higher if you own a new car or one equipped with a high-performance engine, four-speed transmission, bucket seats, or other special equipment coveted by car strippers. Police say that popular makes of cars such as Fords and Chevrolets are targets of thieves because of the greater demand for stolen parts.

Fortunately, there are a number of things you can do to reduce the high auto theft odds. Most important is locking your car. The Federal Bureau of Investigation reports that 42 per cent of all cars stolen were left with keys in the ignitions or with ignitions left in an on position. A large percentage of thefts occur when unlocked cars are entered and started by shorting their ignitions. The insurance-supported National Automobile Theft Bureau has sponsored "Lock Your Car" campaigns in various cities that have cut auto theft rates as much as 133 per cent.

Here are steps that reduce the chances of your car being stolen:

Park in a garage, on a well-lighted street or at an attended lot.

Remove ignition keys.

Lock ignition, windows, doors and trunk.

Remove spare keys.

Keep personal property out of sight to avoid encouraging a break-in.

You improve the chances of recovering your car if it's stolen by insuring it against theft with one of the nearly 400 NATB member companies. NATB provides assistance to police in identifying and recovering stolen cars. The NATB recovery rate—involving only the most difficult cases—was 76 per cent in 1966.

By following these suggestions you can foil auto thieves, whose crimes have doubled in the past 10 years. The total of 253,900 auto thefts in 1956 soared to 544,992 by 1966. The national ratio of thefts to auto registrations has climbed from 1 in 214 in 1956 to 1 in 144 in 1966.

Direct financial loss from mounting thefts is now more than \$140 million a year in the U.S. Most of this loss is covered by insurance, with each stolen car that's recovered resulting in an average claim of \$200, and each stolen and unrecovered car bringing a claim of \$900.

The U.S. Department of Justice this year entered the battle to reverse the auto theft trend. The department is coordinating the comprehensive National Auto Theft Prevention Campaign which follows many recommendations of the NATB and was encouraged by successes of "Lock Your Car" drives. In the new campaign, some 20 cooperating national organizations are pushing for strong auto title laws in every state and for municipal ordinances prohibiting leaving keys in unattended cars. Drivers are urged: "Remove your keys—lock your car" to reduce the chances that their car will be the next target.

[From the Journal of American Insurance, March 1964]

CAR "CANNIBALS" AND THEIR VICES

"Buy your parts from car strippers," a drag racer advises his clansmen. "It's cheaper than dealing with a parts store and faster because they don't have to order from Detroit."

Most car strippers, he adds, give two-day delivery and provide phony receipts from legitimate suppliers to protect their customers from arrest. "Car cannibals just swipe the kind of car they need to fill an order, strip what they want at a garage or gas station and then dump it—sometimes in front of the police station just for laughs."

This insight into today's car stripping operations is offered by a \$65-a-week stock clerk with a \$4,300 souped-up Chevrolet. He is one of a horde of Americans who would not buy stolen cars, but who think nothing of procuring "hot" parts worth millions of dollars. A growing market for stolen auto accessories has built a business so lucrative that it now attracts organized car stripping rings and even syndicate hoodlums accustomed to high returns from gambling, vice and narcotics.

Police, in cooperation with the insurance-supported National Auto Theft Bureau, continue to recover more than 92 per cent of stolen autos. But, as noted by William J. Davis, NATB's Western division manager, this recovery percentage "sheds no light on an additional theft and stripping problem which has become increasingly serious in most metropolitan areas." For one thing, Davis says some police departments habitually report as "recovered" autos that have

been stripped down to the chassis. A car may be found minus its engine, transmission, dashboard accessories, tires, seats and steering wheel. But if it has a readable serial plate, some police may drop it from the "hot sheet."

Subsequently, this practice makes it especially difficult for NATB to trace the rightful ownership of numbered high-performance engines and high-speed transmissions that are regularly recovered. Since 1959 Chevrolet and Pontiac have been numbering such equipment on sports cars and specially-equipped conventional models. And NATB is trying to get other manufacturers to follow suit by identifying their high-performance engines and four-speed manual transmissions.

Says Davis: "We have asked claims personnel of our member companies to notify us of all cases where expensive equipment has been stripped from insured cars. This information enables us to identify motors and transmissions that may later be recovered. Without such reports we have no record of the missing parts." Davis emphasizes that theft of an engine, transmission and bucket seats from a sports car may result in an insurance loss of as much as \$4,500. Cars that sell for \$6,600 or more may be reduced to worthless shells with only minimal salvage value.

NATB has found that thefts of high-performance engines and four-speed transmissions soar in any area where drag racing becomes popular. Drag racers yearn to equip their cars with first-class equipment, stolen or not. But often cars are stolen and stripped through collusion with underage owner-drivers. Drag racers often burn out their engines or strip their gears and then enlist youthful confederates in fake thefts and strippings as a means of recouping the phony losses from their insurance carriers.

Techniques of car strippers vary as widely as the "target" cars they attack or as the parts they seek. Teen-agers have learned how to "drop out" the transmission on one General Motors car within 10 minutes. They do their work right on public streets, chancing observation and arrest. Some inexperienced strippers use acetylene torches to cut motors out because they don't know which bolts to loosen. One such gang started an auto fire by putting red hot parts on a seat cushion.

Car strippers in some areas spread a light coating of oil over abandoned hulks to obliterate fingerprints. And others set fire to stripped cars to cover evidence.

Thieves sometimes search for cars to fill an "order." Manufacturers have made the search easy by identifying their sharpest models with symbols and numbers that tell auto enthusiasts what kind of engine may be found under the hood. Some cagey sports car owners have double-crossed potential thieves by discarding these symbols and replacing them with markings that connote ordinary engines. Yet auto-minded teen-agers quickly learn to identify cars with souped-up engines by styling nuances.

Once a target car has been spotted by car strippers, it is usually simple for them to gain entry and make off with salable parts. More than 90 percent of stolen cars were left unlocked, and about a third of them had keys in the ignition ("Minutemen" in Auto Thievery," JOURNAL OF AMERICAN INSURANCE, June, 1962). Even if the owner has locked a target car, strippers sometimes gain entry through the trunk, break out the back panel and remove the rear seat. Others simply tow cars to secluded lots or to garages where expensive parts are removed. Even in such spots they are sometimes interrupted in their work. A 1964 Chevrolet was recently recovered without an engine, and with bucket seats loosened though still in place.

A mutual insurance claimsman, who regularly handles car stripping losses, complains that if teenagers have a stolen car for as long as 10 minutes, they manage to take parts or do some damage to the vehicle. He points out that more than 75 percent of auto thefts are traceable to teen-agers, adding that the percentage of teens among car strippers is probably higher. Many mutual insurance losses to car strippers have involved cases in which autos have been stripped and wrecked for no apparent reason. One was driven into a quarry 150 feet deep.

Both police and insurance officials have become increasingly wary of car strippers in recent years. And with the co-operation of auto manufacturers they have taken steps to combat costly crimes against vehicles. NATB keeps records of numbered parts, including the high-priced transmissions and engines in sporty models. Such numbers trapped teen-agers detained recently in Iowa. They were found to have a high-performance engine of known number and origin beneath a conventional chassis. The motor originally powered a Chicagoan's stolen and "recovered" sports car.

Some manufacturers have gone beyond numbering costly components in the war against car strippers. Buick Wildcats and some other models now have no hubcaps, to prevent theft of sets that may cost as much as \$100. Chevrolet, which had fully interchangeable parts on its models from 1957 to 1962, now makes minor changes annually to befuddle car strippers who had been rating Chevys as "our simplest" cars. Costly retooling for '63 Chevrolet models paid off in reduced strippings.

Yet car strippers have a big lead on law enforcement officials. One suspected thief, arrested in his home, had a substantial inventory of auto parts and accessories. Prosecution failed because none of the parts could be positively identified as having been stolen. NATB officials, taking a cue from this case, urged sports car owners to place their own identifying marks on expensive equipment. Manufacturers have taken the lead by using "secondary" or secret serial numbers.

Once a stripped car has been recovered, the insurance company carrying comprehensive insurance on the vehicle makes a settlement with the owner based on actual cash value. Usually this is based on "red book" prices and the condition of the vehicle at the time of the theft. Then the hulk becomes the property of the insurer and subject to sale to a junk yard or car rebuilder. Care is taken to prevent serial plates or titles from falling into the hands of operators of salvage rackets.

In some major cities there are now orderly insurance salvage yards where stripped, wrecked and burned autos are stored and sold for salvage. Operators of the yards receive a flat towing fee and a percentage of a salvage recovery, which may be substantial. A shell of a Chevrolet Sting Ray, for example, recently brought \$1,700. Prices for other pieces of salvage fluctuate according to condition as well as make and model. Some autos are "good merchandise" and command high salvage prices. Hence tow truck operators are careful with stripped vehicles, especially those with Fiberglas bodies that might be damaged by a tow chain.

But even in the salvage yard stripped cars may not be safe. At a Chicago salvage yard used by insurance companies, a man and his son appeared not long ago to ask permission to take their license plates off their stripped auto. They were in the yard some time when the watchman checked to find they were stealing the tachometer from the car, which then belonged to their auto insurance company. For the sake of honest policyholders, insurance officials only wish that all car "cannibals" were that easy to catch.

Mr. SMITH. This concludes our statement then, Mr. Chairman, and we appreciate the opportunity to express our views in support of H.R. 14404.

Mr. NIX. Mr. Smith, you would agree with the committee that the problem raised is a serious one, would you not?

Mr. SMITH. Yes; we would agree with the committee view, sir.

Mr. NIX. And it is, in your opinion, absolutely essential that some legislation be enacted to deal with it?

Mr. SMITH. We would agree that legislation is needed here to deal with this vital problem.

Mr. NIX. Now, it occurs to me that problems will arise for the consideration of the committee, and those of greatest concern to me seem to be the categories that are to be permitted to have these keys. It has been suggested that certain agencies be permitted to purchase these master keys.

Now, of course, I can understand that some agencies should have them. But it is difficult to know how to protect the general public even from the agencies that are supposed to have the right to them. That is one of the problems in my mind.

And also, along with that problem, how can we so construct the language of the legislation as to be sure that it is constitutional; that we do not infringe on the rights of people?

That is the committee's business, and we do have a difficult task. But I think we all are convinced that this is something that should have been done long ago.

Personally, I find it difficult to understand why action has been so long delayed.

Now, your business must find this a terrible problem.

Mr. SMITH. It is a very burdensome problem, Mr. Chairman, we certainly agree. And as you have stated before, it has been with us for a number of years. Our industry and I think the other agencies which you mentioned have given consideration to the problem and have attempted to deal with it.

We in the insurance industry have supported the International Association of Chiefs of Police. We have supported the National Auto Theft Bureau. Our publications that we have offered here for the record this morning I think are indicative of our interest in what we are trying to do about it in alerting the public how to protect themselves from the theft of their cars.

Mr. NIX. You mentioned the buying public, the insurance buying public. That is a tremendous hardship on the public—increase in premium payments. Do you have the problem of cutting off insurance to certain sections of any given city where the incidence of crime of this type is high?

Mr. SMITH. Oh, I think, Mr. Chairman, to answer as frankly as I can possibly do, that we are all aware of today the newspaper accounts and reports within the automobile field that there are certain areas that have been described that they could be improved—of cancellations of automobile insurance, of nonrenewals, of rating practices, and such. I am happy to report that—I am sure you are aware of it in the Presidential message of the state of the Union—there was a recommendation to Congress for a study of the automobile insurance, and this will be, as I understand, taken up by Congress at an early date, and these problems will certainly be gone into completely.

We in our organization have tried to bring solutions to these problems which I have just enumerated, and face the public today. We have gone into the various States and offered and supported model legislation to solve these problems. We are continuing to work in this area to prevent discrimination of any type in the offering of the insurance coverages by our member companies.

Mr. NIX. The wholesale cancellation problem has been something that has been with us in Pennsylvania for a long time. Of course, it doesn't arise out of the increased thefts of automobiles. It arises from many other causes.

And in Pennsylvania we have a new, rigorous secretary who is actually doing something I think constructive in this field. I think it can be said of many other States.

I thank you very much for being here today along with your associate. And if in the future we need additional information along this line, we will impose on you again.

Thank you very much.

Mr. SMITH. We will certainly be glad to help, Mr. Chairman. Thank you.

Mr. NIX. Thank you.

Now, our next witness is Mr. Joseph P. Hennessee, who will present a statement prepared by Mr. Louis P. Spitz, executive director of the American Association of Motor Vehicle Administrators.

Mr. Hennessee, will you take the chair?

**STATEMENT OF JOSEPH P. HENNESSEE, ASSOCIATION COUNSEL,
AMERICAN ASSOCIATION OF MOTOR VEHICLE ADMINISTRATORS,
ACCOMPANIED BY FRED W. FRAY, DIRECTOR, AUTOMOBILE REG-
ISTRATION AND CERTIFICATE OF TITLE ACTIVITIES**

Mr. HENNESSEE. Good morning.

Mr. NIX. You may introduce your associate, Mr. Hennessee.

Mr. HENNESSEE. I am accompanied by Mr. Fred W. Fray, who is director of our program of registration and titling of motor vehicles.

Mr. NIX. Welcome, Mr. Fray.

Mr. FRAY. Thank you, Congressman.

Mr. NIX. You may proceed, Mr. Hennessee.

Mr. HENNESSEE. First, if I may, Mr. Chairman, may I express Mr. Spitz' regrets that an unexpected conflict prevented his being here to deliver his statement in person.

Mr. NIX. Certainly.

Mr. HENNESSEE. We appreciate the opportunity to appear here today at the request of the chairman of this committee to advise with the subcommittee relative to our general support of the provisions of H.R. 14404.

We appear here today as representatives of the American Association of Motor Vehicle Administrators. This association has as members those officials at the State and provincial level who are charged with responsibility for the administration and enforcement of motor vehicle and traffic laws. This responsibility includes the registration and titling of all motor vehicles. This, in turn, encompasses the auto theft problem now reaching epidemic proportions which relates very directly to traffic safety, a major concern and responsibility of our members.

The association and its members are deeply concerned about the automobile theft problem. As a measure of our concern we are active participants with Assistant Attorney General Fred M. Vinson, Jr., and the Criminal Investigation Division of the U.S. Department of Justice in the national auto theft prevention campaign.

A major thrust of this campaign is to educate the motoring public to the urgent need to leave unattended vehicles locked at all times. This simple expedient, if followed, will provide a measure of auto theft protection. It will afford a measure of protection against thefts by opportunists and amateurs who steal for temporary joy-riding purposes. It is something less than effective as a deterrent to professionals who steal on order, or to criminals who have access to the skills and devices of the professional.

One of the reasons that the locked car program will not alone prove effective against the professional auto thief is the relative ease with which he can secure so-called master keys. Sets of these are advertized for sale at minimal cost, we are advised, for easy delivery through the U.S. mail.

H.R. 14404 is designed to make it more difficult to secure sets of master keys by unauthorized persons by adding to the list of non-

mailable matter, "(d) Any key adapted to fit the ignition switches of two or more motor vehicles, the ignition switches of which are designed to be operated with different keys * * *."

This provision is good, as far as it goes; it is subject to objection, however, on grounds that it doesn't go far enough.

To be specific, H.R. 14404, as presently written, may apply only to those keys, or opening devices, adapted to fit the ignition switches of two or more motor vehicles. We respectfully submit that it should be made applicable as well to keys designed to operate door locks. H.R. 14404 is subject to a further objection in that its definition provision, "(d) Any key adapted to fit the ignition switches of two or more motor vehicles, the ignition switches of which are designed to be operated with different keys * * * ." may be too narrow to encompass other opening devices.

According to definition by the Security Standards Committee of the Associated Locksmiths of America:

A "master key" is a device planned and constructed to provide means for operating all locks in a series or group of locks; each lock having a specific combination and key providing means other than the master key for operating that combination only, and each lock construction a planned part of the series or group for operation with the master key.

This definition, which is undoubtedly technically correct, as it applies to ignition locks of a particular series or group does not encompass other multilock operating devices, which, in the popular mind, are included in the term "master key."

I refer specifically to two other types of keys or lock-opener devices, denoted as "tryout" and "manipulator" keys. These two types of keys have also been defined by the Security Standards Committee of the Associated Locksmiths of America.

A tryout key is defined as a device which may or may not be one of a set of similar devices, each key made to operate a series or group of locks of the total lock series or group, the key or keys being constructed to take advantage of unplanned construction similarities in the series or group operated thereby.

A manipulation key is defined as a device other than the planned key or keys which may be variably positioned or manipulated in a lock's keyway until such action develops a condition within the lock which enables the lock to be operated.

The two points I wish to make are that this proposed legislation needs to be strengthened to make certain that it applies to (1) devices defined by the committee of the Associated Locksmiths of America as master keys, tryout keys, and manipulation keys; and (2) to such devices designed to operate automobile door locks as well as ignition switches in those instances where separate keys are required for the operation of such locks. In order to accomplish the above we respectfully submit that the paragraph beginning on line 6 of page 1 of H.R. 14404 be rewritten to read as follows:

(d) Any key or other manipulation type device, including but not limited to devices known as "master keys", "tryout keys", or "manipulation keys", adapted to fit the ignition switches and/or door locks of two or more motor vehicles, the ignition switches and/or door locks of which are designed to be operated with different keys, is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postmaster General directs. For the purposes of this section, a "master key" is defined as "a device planned and constructed

to provide means for operating all locks in a series or group of locks; each lock having a specific combination and key providing means other than the master key for operating that combination only, and each lock construction a planned part of the series or group for operation with the master key." A "tryout key" is defined as "a device which may or may not be one of a set of similar devices, each key made to operate a series or group of locks of the total lock series or group, the key or keys being constructed to take advantage of unplanned construction similarities in the series or group operated thereby," and a "manipulation key" is defined as "a device other than the planned key or keys which may be variably positioned or manipulated in a lock's keyway until such action develops a condition within the lock which enables the lock to be operated." Notwithstanding the immediately preceding sentence, such key or other manipulation type device may be transmitted in the mails, in accordance with regulations which the Postmaster General shall prescribe * * *.

We are very pleased to note that this proposed legislation recognizes that there are legitimate uses for such keys and similar manipulation-type devices by providing that they may be transmitted in the mails, in accordance with regulations which the Postmaster General may prescribe, to listed legitimate users.

While we do not represent law enforcement officers at the county and municipal level, and make no strong issue on this point, we respectfully submit that the third full paragraph on page 2 of the bill, beginning on line 12, should perhaps be amended so as to permit such keys or manipulation devices to be transmitted in the mails to supply or procurement personnel of legally constituted political subdivisions of a State which have enforcement responsibilities.

Mr. NIX. Mr. Hennessee, I feel that you have made a distinct contribution to the material that will be under consideration in arriving at some decision on the legislation that is pending.

I was most unhappy about the limitations to the bill as presently written. I agree with you that certainly any legislation that comes out of the subcommittee and subsequently the full committee, to be effective, has to be broadened to cover some of the things that you have mentioned.

Now, that is one of the values of a hearing such as we are holding. I have found that my colleagues on the committee are not versed in this field, and that is why we bring the experts here to tell us about these keys. I never heard of manipulation keys in my life. But that is extremely important that we cover tryout keys, manipulation keys, or any other kind of devices that accomplish the thing that we want to prevent.

Mr. HENNESSEE. Frankly, I had never heard of these two other devices either until after I had received the letter from you.

Mr. NIX. I thank you for taking the time to go into it. By the way, do you feel that the dissemination of these keys and the resultant crimes are largely due to the mail, the purchase through the mail?

Mr. HENNESSEE. Well, frankly, I am not an authority on this, and I would like for my colleague who works more directly in this area to speak to that point if you would, Fred.

Mr. NIX. I would appreciate that.

Mr. FRAY. Thank you, Joe.

Congressman Nix, we as an association are members of the national auto theft prevention campaign, which has as its role the reduction of auto theft in the United States, which, as we have already reported, has reached epidemic proportions.

There are 19 national organizations on this campaign, one of which is the National Automobile Theft Bureau, of which Mr. Michael Murphy, president of that bureau, will testify after our statement. I believe he would be a better individual to respond to this particular question than our association.

We are very limited in this area. Our responsibility to our members is the maintaining of a stolen-car file or list. How they are stolen is primarily a responsibility of the local police, county or State level. I'm sorry, but we do not go into that field that I can accurately, reasonably answer your question.

Mr. NIX. Well, you can't answer everything.

Mr. HENNESSEE. Well, if I could revert to it, Congressman Nix.

Mr. NIX. Certainly.

Mr. HENNESSEE. This is an opinion. Irrespective of whether this is a major factor in automobile theft or just a substantial factor, I think it is fairly well established that it is a substantial factor, and that should bring it within the area where the legislation can legitimately be applied to correct the situation.

Mr. NIX. Thank you, sir, very much.

Mr. HENNESSEE. Thank you, sir.

Mr. NIX. Thank you for being here.

Our next witness is Mr. John Nangle, Washington counsel, National Association of Independent Insurers.

Mr. Nangle, you may proceed.

STATEMENT OF JOHN J. NANGLE, WASHINGTON COUNSEL, NATIONAL ASSOCIATION OF INDEPENDENT INSURERS

Mr. NANGLE. Good morning, sir.

Mr. NIX. Thank you for being here, Mr. Nangle.

Mr. NANGLE. The National Association of Independent Insurers is pleased to have this opportunity to be on record as a proponent of H.R. 14404 introduced by Congressman Nix.

The NAII is a property and casualty trade association comprised of over 360 insurance companies which write over 55 percent of the insured vehicles in the United States. Our member companies range from companies writing in all 50 States to companies writing in only one State. Among our companies are stock, mutual and reciprocal, and they merchandise the automobile insurance product by both direct and independent agency system methods.

Our stake in the national automobile insurance picture is prominent, and we have a proportionate interest in all legislation which would help reduce the incidence of claims direct from theft and claims arising out of the ensuing operation of a stolen automobile and the general welfare of the innocent victims thereof.

The figures regarding auto theft are significant. In 1966, nationally there were 78,315,000 passenger car registrations and 556,985 thefts. For every 140 registrations, one vehicle was stolen.

In Washington, D.C., 6,619 passenger cars were stolen last year. That is an average of 18 per day.

Auto thefts are on the increase dramatically. Although six States reported a decrease in 1966, thefts more than doubled in two States, and in 16 States increased by more than 20 percent.

It has been said that crime in the streets is a national disgrace. Auto theft must play a prominent role in this problem. Some of the effects of auto theft are:

Approximately 30 percent of the cars stolen are damaged or the parts stripped.

About one-fifth of the crashes involving stolen cars results in injury or deaths to one or more persons.

The average monetary value of a stolen car is probably—and I am hedging on this, Congressman, because I don't have the exact figures—more than the average value of merchandise and/or cash taken by burglary or holdup.

Much has been said concerning the attractive way in which the automobile-owning public has made car theft an easy crime for not only the professional car thief but also, and more disturbingly, for the juvenile. It would be interesting to know what percentage of our adult criminals have cut their teeth on auto theft as the way to easy money.

Although national education programs by safety organizations and local police have done much to keep the figures, though astronomical, to the level they are, much more must be done. H.R. 14404 is a significant step in the right direction to control a free-wheeling society of auto thieves which precipitate a great number of the statistics heretofore cited.

The United States Department of Transportation in December of 1967 announced proposed motor vehicle standards which would apply to future vehicles. These standards are: Require a key-locking system on all passenger cars that would (a) warn the driver, when his door is opened, if the key has been left in the ignition; (b) have a lock position which will prevent the operation of the engine and either the steering or mobility of the car; (c) and will make it impossible to remove the key from the ignition without activating the locking device provided therein in (b).

We feel that this legislation, H.R. 14404, is a necessary gap closer and ties into the above standard.

Questions of further implementing this legislation to extend to the prohibitions against such matters as interstate shipment of master keys, indiscriminate use of mailing lists, and advertisements which find themselves in the mails are pertinent.

However, we feel that this bill would greatly alleviate this tremendous problem down to miniscule proportions. The costs to the illegitimate potential buyer are not now prohibitive due to merchandising success in using the mass distribution system of the mails.

We urge this subcommittee to favorably recommend passage of H.R. 14404 and thank you for this opportunity to be heard on it.

Mr. NIX. There is one thing that I note that all of the witnesses who have appeared before this subcommittee have agreed on, one essential: That legislation in this field is absolutely necessary and that it is long overdue. All agree that there is an ever-increasing number of car thefts. All agree that the proportion of youngsters involved reaches perhaps 80 percent.

Most agree that there has been an acceleration of car thefts in proportion to the advertisement and increased sale of master keys.

Now, it seems to me that those are the basic considerations when

the creation of legislation is discussed or is thought of. The necessity must be there, and the circumstances must be compelling. And I think we have all of this in this case.

We are interested to have as many witnesses as we deem to be people who are directly conversant with the situation, know the need of the public, and know the reasons why this thing is as it is.

So again, Mr. Nangle, I want to thank you for being here today and helping this committee with your information so that it may arrive at a proper decision.

Mr. NANGLE. Thank you, Congressman.

Mr. NIX. The next witness is Hon. James T. Broyhill, a member of our full committee.

STATEMENT OF HON. JAMES T. BROYHILL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. BROYHILL. Mr. Chairman, I want to thank you for giving me this opportunity to make a short statement about the need for legislation to prohibit the sale and distribution of master keys.

The use of master keys first came to my attention in December of 1966 by a motel owner in my congressional district who was astonished to receive a solicitation for his order of master keys. Only \$10, said the advertisement, would buy keys for all Ford, Chrysler, and General Motors products manufactured since 1940. The advertisements proudly proclaimed that the keys will fit ignitions, doors, and even trunks on cars and trucks. Personally, I cannot think of a better way to encourage criminal activity.

As a result of inquiries I made with the Post Office Department and other appropriate agencies, it is my understanding that at the present time there is no Federal law or regulation which could be applied. The question of whether the keys do what the advertisements say they do is, of course, another matter, and one which I understand is currently being considered by the Post Office Department.

I also learned that other Members of Congress, including my good friend and colleague, Congressman Cunningham, with whom I serve on both this committee and on the Interstate and Foreign Commerce Committee, had taken an interest in this problem and in fact had introduced legislation on the subject. In March of 1967 I introduced H.R. 7219, which was referred to the Interstate and Foreign Commerce Committee. My bill would make a criminal offense the introduction or manufacture for introduction of master keys into interstate commerce. My bill also contains a provision which would prohibit the distribution of master keys through the mails. This provision, section 4 of my bill, is similar to Chairman Nix's bill, H.R. 14404. So far, however, the Interstate and Foreign Commerce Committee has not scheduled these bills which have been referred to it, and at the present time the prospects for action do not appear encouraging.

Without a doubt, the use of master keys has grave relevance to several aspects of the entire crime problem—particularly the drastic increase in the number of stolen automobiles and the relation of stolen cars to juvenile delinquency. It is my belief that legislation to control the sale and distribution of master keys is definitely needed, and I want to assure you, Mr. Chairman, that I will do everything I can to secure passage of legislation of this type.

Mr. Nix. Thank you, Mr. Broyhill, for your views and comments. The next witness is Hon. Dominick Daniels, also a member of the full committee.

**STATEMENT OF HON. DOMINICK V. DANIELS, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW JERSEY**

Mr. DANIELS. Mr. Chairman, distinguished members of the Subcommittee on Postal Operations, I am very happy to be with you this morning and to pledge my support to H.R. 14404, a bill introduced by your distinguished chairman, the able gentleman from Pennsylvania, Mr. Nix, which would regulate the mailing of master keys for automobile ignition switches.

The bill which you are considering is somewhat narrower in scope than a bill which I introduced in the first session of the present Congress, H.R. 14186, which would simply prevent the transportation of such master keys in interstate commerce under similar conditions as proposed in this bill.

Yet, Mr. Chairman, it is typical of you and the other members of this dynamic subcommittee that you are unwilling to wait for action from others when action is needed. And, Mr. Chairman, car thefts have reached such alarming proportions that we can wait no longer. This bill may not be the ultimate solution, but it will close up one glaring loophole in the law and no longer will automobile thieves be able to use the U.S. mails to further their wrongdoing. I am proud to join with you, Mr. Chairman, in support of your bill which, as I see it, is a needed first step to stop the alarming increase in larceny of automobiles.

Mr. Chairman, when this badly needed bill is reported to the full committee, you may rest assured that I shall do all I can to expedite passage of this bill.

Mr. Nix. Thank you, Mr. Daniels, for your statement.

We have for the record a statement submitted by Mr. Michael J. Murphy, National Automobile Theft Bureau, which will be incorporated in the record without objection.

A statement submitted by the Honorable Theodore R. Kupferman, 17th District of New York, which will likewise be placed in the record without objection.

(The statements referred to are as follows:)

**STATEMENT OF HON. THEODORE R. KUPFERMAN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK**

Mr. Chairman, members of the Subcommittee on Postal Operations of the House Committee on Post Office and Civil Service, I am pleased to have this opportunity to submit my statement today to my distinguished colleagues on this Committee in support of Mr. Nix's bill, H.R. 14404, to amend title 39 of the United States Code, to regulate the mailing of master keys for motor vehicle ignition switches. According to the U.S. Department of Justice, auto theft is the third most frequently committed felony throughout the Nation, following only burglary and grand larceny. Moreover, I am informed that in measurable financial loss, auto theft is second only to burglary. This is why I myself introduced in 1966 H.R. 16657, reintroduced in the 90th Congress as H.R. 3774, legislation similar to Mr. Nix's bill. My bill would reduce thefts of motor vehicles by prohibiting the exportation of unidentified motor vehicles, as well as by prohibiting the unauthorized possession and transmission in interstate commerce of motor vehicle master keys.

The increasing problem of auto thefts is particularly disturbing to me because there is already such a high incidence of crime committed within the New York

City area. In 1960, according to the FBI, there were 24,325 car thefts in Manhattan. In 1962, this figure jumped to 27,366, or 246.4 cars stolen per 100,000 people in the metropolitan area.

In 1964, there were 39,638 car thefts in the New York metropolitan area as contrasted with 49,228 thefts that year in all New York State. In other words, in 1964 there were 348.9 cars stolen per 100,000 people in New York City as compared with 274.8 cars stolen per 100,000 inhabitants of New York State.

Statistics from the Federal Bureau of Investigation indicate that more than 60 percent of all auto thefts are committed by youngsters under the age of 18. The all too familiar pattern experienced by law enforcement officials is that of the "joyride," where the car is stolen, used and then returned or left for the owner or police to find.

Aside from the serious consequences of an arrest, trial and conviction of our youth, "joyriding" presents a real threat to all those who use the Nation's streets and highways. The young driver's unfamiliarity with the stolen car, together with his apprehensive state of mind and lack of pride of ownership in the vehicle serve to insure a reckless drive thereby creating a hazard to innocent motorists.

One way in which we can reverse the current climb in the number of auto thefts in the United States is to recognize and stop a means employed to accomplish this crime which has recently developed with alarming speed.

I refer to the fact that thousands of car thieves are aided each year by the use of so-called master keys. Master keys are designed to fit some or all makes and models of cars and are usually ordered and sent by their manufacturers through the mail.

On July 22, 1967, the *New York Times* covered my demonstration in New York City of how easy it is to open a car door with master keys obtained through the mail with no questions asked.

In preparing for this demonstration to take place just outside my District Congressional Office, I purchased 18 master keys for ten dollars through the mail from an organization in Florida.

Indiscriminate sale of these keys allows them to fall into the hands of juveniles and professional criminals alike, and are perfect instruments to enable them quietly and quickly to steal a car and to remove its contents or valuable parts, such as engines and radios, without being discovered.

New York State Senator Simon J. Liebowitz expressed concern over the growing menace to life and property from auto thefts by the use of master keys during a recent hearing of the U.S. Senate Subcommittee on Executive Reorganization on the subject of traffic safety. State Senator Liebowitz pointed out that inasmuch as these keys are ordered and sent through the mail there is no way a single State can effectively prohibit their purchase and receipt by one of its residents.

I would strongly urge our Nation's automobile industry to cooperate in, which I hope will be, a massive national effort to reduce auto thefts. One way in which they could help would be voluntarily to improve the lock mechanisms of the ignition of the automobiles so that they will be more difficult to pick.

Another of the ways in which thieves are able to disguise the stolen automobile is to grind the serial numbers off the engine while at the same time repainting the car a different color so that it may be disposed of on the open market.

The difficulty with this procedure, however, is that it is time consuming, and time is a precious ingredient to the successful operation of the auto thieves ring. Also, it requires technical resources.

Therefore, a much faster and thus more safer means is generally employed by the professional auto thieves to dispose of their "hot" cars. The cars are simply shipped, trucked or driven out of the United States to be sold in a foreign country close to the United States, or in many cases, overseas.

This method of disposition of the stolen vehicles is made considerably easier for the thieves primarily because, under present law, there is absolutely no requirement that the U.S. customs service make a check to ascertain proof of ownership of any motor vehicle being shipped, flown, trucked or driven out of the United States, nor is it their policy to do so.

To require some evidence of ownership or lawful identity in addition to the routine statistical check made by Custom officials of those seeking to export vehicles at our borders would be a far less hardship than to continue to allow the felons who steal our motor vehicles and endanger our lives to rapidly and successfully complete their plans by simply removing the stolen vehicles from the country.

This is why I introduced H.R. 3774, a bill which would provide that it shall be unlawful for any person to transport a motor vehicle or motorcycle out of the United States without first making a satisfactory showing of proof to the Secretary of Commerce regarding the ownership or lawful identification of the motor vehicle or motorcycle being exported.

I believe it is imperative that the Federal Government take action now to come to the aid of local and State law enforcement officials in their struggle to effectively deal with the growing menace of auto theft. The enactment of legislation to prevent the unauthorized transportation of automobile ignition master keys across state lines is a step in this direction.

STATEMENT BY MICHAEL J. MURPHY, PRESIDENT, NATIONAL AUTOMOBILE THEFT BUREAU

My name is Michael J. Murphy. I am president of the National Automobile Theft Bureau—a service organization that traces its history back to 1912 when the 11 insurance companies then writing automobile insurance formed an association to assemble and disseminate reports on stolen cars. Today more than 400 insurance companies support the NATB in its efforts to assist law enforcement officials in identification and recovery of stolen vehicles. The Bureau maintains five division offices—in New York, Atlanta, Chicago, Dallas, and San Francisco—and maintains a network of resident agents throughout the country and in Mexico and Canada.

In addition to investigations, the NATB conducts training seminars on auto theft detection and prevention techniques for police departments. Also in the realm of prevention, we conduct an extensive public information campaign in an attempt to reduce auto thefts. The NATB is a voluntary, non-profit association. Any insurance company in good standing, whether stock or non-stock, engaged in motor vehicle insurance is eligible for membership. Member companies finance NATB activities through assessment on the net automobile fire and theft premiums written by the individual company.

A problem that we encounter with increasing frequency is that of master keys. Mail order master key firms in such states as Pennsylvania, Maryland, Florida and California solicit business by direct mail and through advertisements in national magazines. The ads state that the sets are for legitimate use only, but we have found that nearly anyone can obtain complete sets with ease. Members of the NATB staff, in fact, in an experiment ordered such sets from home addresses on plain stationery. Our orders were filled without question. We have no figures to support our contention that a growing number of car thieves are also among the customers, but our agents and police with whom we work point to a rising number of stolen cars recovered which show no signs of forcible entry, an increasing number of cars stolen from once comparatively safe parking lots and garages, and frequent arrest of persons in possession of master keys.

The NATB fully supports state legislation outlawing sale of master keys except to legitimate agencies. As far as I know only Texas, Oregon, Massachusetts and Michigan have incorporated such laws on their books. But even if most states had laws forbidding the sale of master keys, the U.S. mails could still be used to buy them and states would be powerless to stop it. We are, therefore, especially hopeful legislation outlawing indiscriminate sale of master keys in interstate commerce will be re-introduced and passed in Congress. Interrelated federal and state laws making it illegal to sell, possess or receive master keys unless they are for legitimate users is the key to halting the growing master key problem.

The effectiveness of master keys has been questioned. It is true that some of them are virtually useless. However, in a recent article carried by the Los Angeles Times News Service, columnist John Dreyfuss quoted Los Angeles police criminalist Dewayne Wolfer as saying that anyone who practices three weeks with these keys can open 99 per cent of all car locks.

Mr. Dreyfuss quotes a manufacturer who maintains post office boxes in Van Nuys and Sherman Oaks, California, for use in his master key mail order business as saying he sells only to garage, service stations, repossessioners and others who can use manipulation keys legitimately. However, the NATB special agent in Los Angeles bought a set of these keys from the same manufacturer without identifying himself in any way.

Other firms in Florida, Maryland and Pennsylvania sell master keys through advertisements in men's magazines, trade journals and by direct mail.

The master key problem is one of growing concern among more and more responsible citizens. Attached are just a few of the many newspaper clips concerning the problem that have crossed my desk in the last two years.

Effective control of auto theft is a many-faceted problem demanding close co-operation among many interested groups. Experience of the past demonstrates the need for a stronger, more vigorous approach—a few new laws and stricter enforcement of the ones we have, as well as a strong and effective public information program.

Projections based on present trends indicate that almost one million cars will be stolen in the United States in 1970. Based on current averages the total value will be a staggering \$872,608,275.

It is essential that every effort be made to prevent such huge losses which are not only staggering from an economic view point but represent a turn to crime by large numbers of our most precious asset—our young people.

NOVEMBER 24, 1964.

MR. QUINN TAMM,
Executive Director, International Association of Chiefs of Police, Inc.
Washington, D.C.

DEAR QUINN: I have yours of November 20 in respect of advertisements indicating that master keys are available to the general public that would enable any person to open and drive any car they may wish to take.

This has been a subject of considerable correspondence within our Bureau, and many persons have written to us indicating they have seen these ads. Our initial correspondence was in early 1963 concerning the Key Supply Company, Post Office Box 2024, Van Nuys, California. An investigation at that time was conducted by our San Francisco office and I quote a report submitted to us by their Special Agent:

"This writer and FBI Agent Robert Russell made an investigation and found that Key Supply Company is owned by Max Greenstine. Agent Russell contacted Mr. Greenstine and he stated that he only sold the keys to dealers and repossessioners. There is no assurance that he would not sell the keys to anyone that ordered them. It does not appear that he is in violation of any law."

More recently, the ad which you mention indicated an organization at Butler, Pennsylvania had these keys available. An investigation was conducted of this organization and it was learned it was strictly a Post Office Box with apparently no business address at Butler. It was then determined the organization became the Continental Discount Supply Company, 610 Pasadena Blvd., Erie, Pennsylvania.

One of our Special Agents sent the necessary amount of money to this organization to secure a set of these keys, but not indicating that he was a member of NATB. After a considerable length of time he did receive sixty-four General Motors master keys. Enclosed was a card which stated:

"Thank you here are your master keys, please follow these instructions, simply insert the key in all the way, keep pressure applied to the right side and jiggle the key upwards and downwards, if the ignition switch does turn on, work key outwards using same motions, be careful so key doesn't bend or break." s/s Continental Discount Supply Co., P.O. Box 263, Fairview, Pennsylvania.

Further investigation would indicate the individual who had started this business and commenced the advertising, had gone from Erie, Pennsylvania to Fairfield, Pennsylvania and henceforth to Gulfport, Florida.

Considerable correspondence and conversations have been had on this subject between Bureau Managers and law enforcement officials. Unfortunately we have been unable to uncover any state law or Federal law that would prohibit the advertising of this merchandise and I doubt very much there is anything we can do to prevent the sale of these keys.

There are isolated cases, of course, where a thief is apprehended with a stolen car, in possession of these keys, and they are considered to be burglary tools.

I believe your inquiry is quite in order, and should be kept in mind for the possibility of recommending legislation both statewide and Federal that would prohibit this practice.

With kind personal regards,

Yours very truly,

RAY M. KING, *Secretary.*

[From the the Watertown, N.Y., Times, Dec. 27, 1967]

MAIL ORDER CAR THEFT KEYS AVAILABLE IN FLORIDA FOR \$3

(By John Dreyfuss)

When it comes to breaking into cars, the pick of the crop comes from Florida. The pick—properly called a mani-master key by its manufacturer, is available by mail to anyone with \$3 and a 5-cent stamp. For another \$6.95, he is assured prompt delivery of what is advertised as a "so-called burglar tool" which completely side-steps the lock picking problem. It enables a so-called burglar to "strike like a cobra" and open cars without using keys.

At least one Florida firm—one of several in the state—advertises in men's magazines, trade journals and by direct mail. No identification is needed to buy its products, a Los Angeles police department spokesman said.

A manufacturer who maintains post office boxes in Van Nuys and Sherman Oaks, Calif., sells sets of six keys for \$4. For the complete lock picker, \$20 will fetch 64 keys.

"I sell to garages, service stations, repossessioners and others who can use manipulation keys legitimately—no one else," said the manufacturer. He asked that his name not be used.

"That's not true," responded a special agent of the National Automobile Theft bureau when told of the key man's claim.

"We bought a set of manipulation keys from him without identifying ourselves in any way," the agent said.

In addition to California and Florida, manipulation keys are also available by mail from firms in Maryland and Pennsylvania.

Despite the availability of manipulation keys, less than 2 per cent of auto thefts involve their use, police said.

Theodore H. Johnstone, manager of security systems for General Motors corporation said that eight of every ten cars stolen have been left unlocked with the key in the ignition.

Of the six methods most often employed by car thieves, use of manipulation keys rank No. 5, Johnstone said.

He pointed out that 1967 and 1968 G.M. cars have about 8,000 possible key combinations, and it is difficult to open them with manipulation keys.

"A manipulation key set will open only 20 percent of the locks it's advertised to open," he said.

But Dewayne Wolfer, Los Angeles police criminalist, disagreed. "Guys that get these keys and practice for three weeks can open 99 per cent of all car locks," he said.

[From the Pittsburgh (Pa.) Press, Jan. 8, 1968]

AUTO THEFTS CLIMB DESPITE NEW DEVICES; KEY IN IGNITION STILL TOP PROBLEM, FBI FIGURES SHOW

(By Robert Dietsch)

WASHINGTON.—Auto thefts—like all other kinds of crime—rose during 1967. Preliminary figures indicate a record 650,000 cars were stolen, 17 per cent more than 1966.

This increase occurred despite an auto industry campaign to persuade more drivers to lock their cars (the FBI says 42 per cent of the stolen autos had keys in the ignition) and the introduction of several anti-theft devices.

The campaign and anti-theft device programs will accelerate this year and beyond, but no one in Washington or Detroit is ready to bet the theft curve will turn down.

THIEVES INGENIOUS

Car thieves, law enforcement officials warn, often are highly ingenious at inventing tools and techniques to force, squeeze and squirm their way into parked vehicles.

Edwin H. Klove Jr., a General Motors safety engineer, points out that auto master keys still are peddled by private firms.

Mr. Klove recently told the Detroit Society of Automotive Engineers that one company "offers a set of 64 keys certified to open doors, trunks and ignitions of every GM car on the road today." Another company sells a set of 108 keys "to open all Ford models from 1962 through 1964."

DEVICES ORDERED

The Federal Highway Safety Agency will require three anti-theft devices on 1970 model cars:

A lock on the steering column. When the ignition is turned off, a pin will be activated to lock the steering shaft into fixed position.

A locking device which will make the power system inoperable when the key is turned off.

An audible device which when the motor is turned off will sound until the key is taken out of the ignition.

TWO IN USE

Some cars already have the first and third devices.

American Motors, which makes Ramblers, has eliminated the familiar door locking knob, which car thieves often pull up with special wire hooks to gain entry.

Doors on 1968 Ramblers lock by a lever mounted in the armrest. Industry sources say this idea will be adopted by other producers.

The FBI says 80 per cent of car thieves are by minors, who take the vehicles for short joy rides and then abandon them.

"Typically," Mr. Klove said, "the joy rider simply walks through a parking lot or down a street until he finds a car in which the driver has left the keys in the ignition."

Since 1960, auto thefts have increased almost 60 per cent. Theft of articles left in cars have risen 45 per cent and thefts of accessories—especially hubcaps and outside mirrors—15 per cent.

The annual loss: Almost \$150 million.

[From the New Haven (Conn.) Register, Nov. 7, 1967]

"KEYING IN" ON THE AUTO TRADE FOR A \$10 BILL

Reproduced herewith is a portion of a circular a Florida concern is sending through the mails into Connecticut—and quite possibly the rest of the country. For \$10, this company will provide you with a set of master keys guaranteed—under the double-money-back offer—to open any and all American cars and trucks built since 1955.

Ostensibly, addressing the flyer to new car dealers, police agencies, locksmiths and the others listed gives the enterprise a semblance of legitimacy. What bothers us is the "etc." at the end of the list. Would you care to guess just who in the "etc." category would be interested in laying his hands on a "no easier, faster or more economical way to open locked cars," as claimed in the circular?

Our reservations grow by leaps and bounds by the apparent use of nonselective mailing lists, which places the offer in the hands of persons with no earthly reason for owning master car keys. Our circular was received here by a public accountant with no connection with the automobile business.

According to a post office spokesman, there are no postal regulations governing the situation. But there should be some federal control over unauthorized or questionable reproduction and sale of keys, especially when the activity seems an open invitation to wrongdoing.

Fortunately, the State has moved to put curbs on the master key trade, although the new law passed this year still fails to strike at the people who make and sell the keys. In Connecticut, possession of a master key by an unauthorized person is punishable by a fine and jail term. The law says only new car dealers, locksmiths, auto loan institutions and law enforcement agencies can lawfully have master keys.

SPECIAL BULLETIN FINAL OFFER

Now! You Can Open Any Car or Truck

TO:

NEW CAR DEALERS.
USED CAR DEALERS
SERVICE STATIONS

POLICE AGENCIES
REPOSSESSORS
BANKS & FINANCE COs.

LOCKSMITHS
INDEPENDENT GARAGES
PARKING LOTS, ETC.

[From the New York (N.Y.) Times]

CAR THIEVES USING MAIL-ORDER KEYS; POLICE BEGIN PILOT PROJECT IN BROOKLYN TO COMBAT PROBLEM AS CRIMES RISE

(By Bernard Weinraub)

The Police Department is worried about the increasing use of mail-order keys to steal cars.

Auto thefts are rising and the police are citing the easy accessibility of auto keys through mail-order houses as a major reason.

"The ads for auto keys are all over the mechanics' trade journals," Sgt. Allen Gore, commanding officer of the automobile squad, said yesterday. "An ad will say, 'Be the first in your neighborhood to have a lost key business. With our keys you can open up 90 per cent of most automobiles.'"

"The keys are generally available for \$20 in a 64-key set. It's a growing problem. The keys are available and make stealing cars so simple."

The 38-year-old sergeant made his remarks as the Police Department began a pilot program on auto thefts in an area of Brooklyn where the incidence of stolen cars is very high.

The 12-precinct area—in which 19.6 per cent of the city's car thefts occur—extends from Bay Ridge to East New York. The area is generally residential and uncongested.

TO STUDY THEFT PATTERNS

In seeking to curb the thefts, the Police Department's Crime Analysis Bureau will provide special forms for officers who recover missing autos in the area. The detailed forms, covering such items as the length of time between the theft and recovery and as the method used for starting the stolen vehicle, will be studied by the bureau.

"Our aim is to study the pattern of auto theft to see if there's a single discernible method in how they started," said a police spokesman.

According to Sergeant Gore, a total of 32,897 cars were stolen in the city in 1964, while last year the figure reached 34,766. At least 75 per cent of the cars are recovered, the Sergeant said.

"The availability of keys through mail-order houses has become prominent only in the last few years," said Sergeant Gore. "Before then, they used any gadget to open cars—a beer can opener to lift the vent window or a coat hanger to raise the handle.

"All this stuff now is getting passe. The thief now has available to him a source of master keys."

[From the Daily News, June 29, 1966]

COPS FIND KEY TO CAR THEFT TECHNIQUES

Noting that car thefts have become easier to engineer because auto keys are available from mail-order houses, the Police Department yesterday began a pilot project to study car-theft patterns as a step toward a crackdown.

Sgt. Allen Gore, commander of the automobile squad said: "The ads for auto keys are all over the mechanics' trade journals. An ad will say, 'Be the first in your neighborhood to have a lost-key business. With our keys you can open up 90% of locked automobiles.'"

WIDELY AVAILABLE

Gore said mail-order keys have become widely available in recent years, making other car-theft techniques outdated. He said auto thefts climbed from 32,897 in 1964 to 34,766 last year, but at least 75% of the vehicles are recovered.

Cops in 16 Brooklyn precincts, from Bay Ridge to East New York, will keep detailed notes on recovered autos, including the date of their theft, to give the department a picture of theft patterns.

[From the Popular Science magazine, April 1965]

NEED MASTER KEYS FOR AUTOMOBILES?

Attention auto dealers, finance companies, wreckers, repossessioners, etc.: Keys to fit all Ford products \$3.00. All General Motors products \$3.00. Ramblers, \$2.00. All Chrysler products \$3.00. Postpaid. References Security National Bank. Key Supply Co., Box 2024, Van Nuys, Calif.

[From the Police Files magazine, August 1965]

EARN \$50 TO \$150 A WEEK ANSWERING LOST CAR KEY CALLS

\$3½ million spent each week because of lost car keys—over 65,000 calls a day. "There aren't enough trained men to fill the need," says noted automotive expert.

Collect \$7.50 cash each call. It's a pleasant and highly profitable business you can operate anywhere *without training!* Here's all you need:

64-key GM master set. Certified to open doors, trunks, ignitions of every GM car on the road today, plus countless other makes and models.

Free business-building portfolio. Complete program tells motorists you are man to call in a car key emergency. Includes newspaper and yellow page ads, window banners, radio commercials and special wallet I.D. card.

Free key replacement service. Lifetime service lets you replace keys as you use them. Nominal \$1 service charge covers postage and handling for as many as 3 keys each replacement order.

\$19.95 Full Price for Entire Program. Send cash, check or money order. \$1 deposit with COD orders. Pay postman balance plus COD charges. Satisfaction guaranteed.

Key Masters, Inc., Dept. PF-3, P.O. Box 399, Merrick, N.Y. 11566

Keys to Every General Motors Car and Truck

[From the Sunday News, Oct. 10, 1965]

ANYONE CAN BUY MASTER KEY FOR YOUR CAR BY MAIL ORDER

(By Leonard Scandur)

For an investment of less than \$30, I am now equipped to go into business—as a car thief. And none of this ignition-jumping or wire-crossing jazz. I've got master keys to open partially any General Motors, Ford or Chrysler automobile. The hell of it is that anybody with the price can get the same keys.

This business of car stealing with master keys must be booming—a U.S. Senator recently decided there ought to be a federal law against it.

Sen. Thomas H. Kuchel (R-Calif), introduced a bill which provides a \$5,000 fine and up to a year in prison for anyone convicted of using interstate commerce to sell master keys to a person prohibited by state law or local ordinance from possessing them.

HIS FOR THE ASKING

I obtained my keys by writing a polite note on plain stationery requesting same and enclosing postal money orders. A firm in St. Petersburg, Fla., sent me three Chrysler master keys for \$3. Another outfit in California mailed me three keys "to open all Ford products" for \$5. My biggest investment was \$19.95 for a set of GM master keys mailed to me by a Baltimore company. These will open Chevrolets, Buicks, Pontiacs, Oldsmobiles and Cadillacs.

There are many mail-order firms currently advertising master keys for automobiles. The ads, placed in automotive magazines and auto trade publications, are aimed, presumably, at car dealers, locksmiths, garage and parking lot operators. One ad even suggests that a set of master keys can put you in the "lost car key business" where you can make "\$50 to \$150" a week.

I made no claim to being a locksmith, keymaker, car dealer or service station operator. The keys were mailed to "Leonard Scandur, 220 E. 42d St., New York." Similar sets of keys are available, just as simply, to any larceny-minded individual with the price.

It is difficult to conceive that every potential auto thief would invest—as I did—about \$30 for a basic set of master keys. But the thieves have beaten this, too. They order duplicate keys made of the master keys and then sell the duplicates to confederates to recoup their investment and make a few extra bucks.

This possibility occurred to Department of Licenses Commissioner Joseph Di Carlo. Recently, he sent all available inspectors out to check on 1,406 key-makers. The inspectors posed as auto owners who needed duplicates of master keys.

A city ordinance specifies that only licensed locksmiths can make master keys. The name of every person ordering a master key must be entered in a register. Duplicates can be made only on the signed order of the lock owner.

In hundreds of instances, inspectors had master keys duplicated and were not asked for their names, addresses or proof that they owned the cars for which the keys were being made. Fines ranging from \$10 to \$25 were levied on 705 keymakers with warnings of license suspension or revocation on the next offense.

ALL-PURPOSE OPENERS

Another threat posed by mass distribution of duplicate and master auto keys was described by Det. Robert McDermott, locksmith wizard of the police safe and lock squad. Many of the duplicate keys, he said, open trunks and glove compartments besides switching on the engine's ignition.

Are these keys being used? Here are just a few recent instances:

Three youths arrested in Brooklyn in possession of two stolen cars had a ring of GM master keys.

Another pair, one 16, the other 18, caught in a stolen car, were using master keys. The day of the arrest, the 16-year-old had been in court that morning for a pre-pleading investigation on his request for youthful offender treatment on a previous auto theft charge.

Seven young girls were caught joyriding in New Jersey in a stolen car. After a chase by police, the girls' car was forced to the curb. The 17-year-old driver fled. Cops nabbed the others, five aged 14, and one only 11. The 17-year-old later surrendered to police, who said she had 27 car keys.

Chicago police arrested a suspect with two auto theft indictments pending against him and found 17 master keys on him.

This summer, while Police Sgt. John J. Morgan of Santa Monica was registering for the State Peace Officers Association convention in Oakland, Calif., a thief, using duplicate keys, entered his locked car and stole the officer's service revolver, camera equipment and other valuables.

Recently, Westchester police arrested an 18-year-old who admitted stealing more than 100 autos in Westchester and the Bronx. He told police he specialized in Chevrolets, Corvettes and Pontiac GTOs. When he was caught, the youth tried to discard keys and special ignition parts. He'd been arrested the month before, charged with the theft of a GTO, and freed on bail.

FOR FUN AND PROFIT

The use of duplicate or master keys isn't restricted solely to thefts of vehicles for joyrides. The professional car strippers find the keys handy for quick movement of cars from parked areas to hideout garages where the vehicles are stripped of costly bucket seats, radios, chrome fittings, etc. These parts find a ready market in shady repair shops.

Only last month, the Vernon Pontiac agency in Mount Vernon had six GTOs in its repair shop. All had been stolen and stripped. One theft victim was loaned a Tempest by the auto agency while his GTO was being refitted. The Tempest was stolen the second day from in front of the driver's home where his GTO had been stolen. The auto agency also had a Chevrolet Super Sport model stolen from its used car lot.

Last month, a stolen Pontiac Grand Prix, valued at more than \$4,000, had to be towed into the Vernon repair shop. When police found it abandoned, the car's engine and entire transmission were missing.

All of these thefts were "key jobs."

Thieves specializing in looting salesmen's cars have been known to trail the salesmen to their homes. When the salesman parks his car, the thief has all the time he needs to try various keys until he finds one that fits. This one he marks. When the salesman starts his rounds next day, the thief trails him again and

waits for an opportune moment to open the car and steal the salesman's sample case.

The car thief with a ring of master keys doesn't stand around trying keys preparatory to a heist. Sometimes, while a confederate purportedly changes a flat tire on his vehicle parked alongside yours, the thief is standing between cars, partly obscured, trying key after key. When the right key fits the lock, it's singled out. Then the thief returns at his leisure for an unobserved night getaway in your car.

This easy access to locked cars is becoming a problem between car owners and insurance companies. Those with a homeowner policy as insurance against theft pay an extra premium to cover thefts from their cars. Such thefts of luggage, clothing, groceries, etc. from automobiles are recompensed only if the unattended automobile shows evidence of "forcible entry."

EASY ENTRY STALLS PAYOFF

So when a policyholder reports a theft from his automobile, perpetrated through use of a duplicate or master key, the questions arise; how does he indicate "forcible entry" to collect? Does he break his trunk lock or smash a window before calling his insurance company? How does he prove the car was locked? How can the company determine if a duplicate or master key was used by the thief?

I spent a couple of hours cooped up in my GM automobile one rainy Sunday afternoon trying each of the 64 GM keys I purchased by mail. Two blisters later, I had mixed emotions. I was annoyed because none would start my engine but I was also relieved that the keys failed.

But then I learned something that made me apprehensive all over again. Members of the auto squad who tested my GM series of master keys reported they were 80 to 85% effective. It's just that I was inept. Lock expert McDermott said that expert car thieves, using extra manipulation of the keys, could raise the success factor to practically 90%.

Only 1,500 key combinations exist for the millions of GM cars on the road. These have been repeated since 1936. Ford has 1,000 combinations and Chrysler has about 500. It's not unusual for one car key to start another auto.

On one occasion, an auto squad detective, summoned to check a stolen Oldsmobile abandoned by bank robbers, used his Pontiac key to start up the robbers' getaway Oldsmobile.

RED CAR, RED FACE

A News colleague, Bill Federici, had an embarrassing experience the day he arrived at Kennedy Airport after helping recover the De Long ruby. The museum's assistant curator asked him to pick up his car parked at the airport. He gave Bill his parking check and car keys. Bill went to the parking field, found the designated section and got in a red Pontiac Grand Prix. He started the car and drove it to the administration office, where the curator was being guarded by detectives.

As Bill stopped the car, the curator said, "I wish I owned that car, Bill. But mine is a red Corvair." Bill had unlocked and driven the wrong car.

The uncontrolled sale of master keys is a prime problem for Michael J. Murphy, former New York City Police Commissioner, who now heads the National Auto Theft Bureau. The agency, supported by hundreds of insurance companies, works closely with police in tracing and recovering stolen cars.

Although present police systems of recording recovery of stolen cars do not specify whether the vehicle was stolen with a duplicate or master key, Murphy says that reports filtering through to the NATB from all over the country indicate that more and more recovered cars bear no evidence of forcible entry.

The sale of master keys may well be a factor in the alarming national rise of auto thefts. For the first half of this year 249,650 cars were stolen. The rate is 12.4% higher than for the same period in 1964, and it is estimated that by 1970 a million cars will be stolen annually.

The NATB early recognized the threat of mail-order auto master keys when the ads first appeared. Agents acting under eastern manager Ray King wrote away for sets of the keys and received them at home addresses.

But when the law books were searched, the authorities found they were helpless to act against the mail order firms. No state had a law controlling the sale of master keys.

In one instance, NATB agents tested a set of Ford master keys sold by mail and found that the keys failed to work. They appealed to postal authorities to move against the seller on grounds that he was using the mails to defraud.

The key seller blithely pointed to his money-back guarantee and said he would refund the money for any complaint. This got him out from under the law. Another key seller, similarly harassed, has changed his mailing address five times within the past two years and is still doing a brisk business.

DEALER IS OLD PRO

A mail-order operator who started selling master keys last spring was investigated by the NATB and found to have served a term in a reformatory for auto theft.

The increasing use of duplicate and master keys by thieves was borne out by Sgt. H. McKenna, who heads New York City's auto theft squad. He showed us part of a collection of keys taken from auto thieves.

*It must be admitted that auto manufacturers are wrestling with this problem of lock insecurity, but without too much success. For years, it has been the practice of some General Motors divisions to submit locks to ex-convicts for testing. Police say these pros are very difficult to stump. The ex-cons spot weaknesses in devices that have escaped the designers * * * and it's back to the drawing boards.*

Ford made a contribution with its 1965 models when it introduced the double-edged key. The key is reversible and can be inserted in either position. The double edge does hamper car thieves who depend on jiggling duplicate or master keys to start Ford engines.

A suggestion has been made to GM by the New York Locksmith's Association for a simple change in key design which would make previous duplicate and master keys obsolete. All GM keys have a serrated strip on the left side of the key just under the key teeth. The locksmiths suggested new keys be designed with the serrated strip on the opposite side.

But the auto makers are hamstrung by their self-imposed limits of planned design. Ignition, door and trunk locks for 1966 models were designed perhaps two years before the cars went into production.

A whispered promise from Detroit today is that, possibly with the 1967 models, more security will be built into locks by increasing the number of possible key combinations.

Meanwhile, legislators hope to stem the sale of master keys by mail within their own states. So far, only Texas has passed a law which makes it an offense to sell or offer to sell master keys which fit the ignition switch on more than one vehicle. A violation carries a minimum fine of \$25. Illinois is considering similar legislation.

But until every state passes its own legislation, the mail order fast-buck artists will merely change their box number to another state and do business as usual.

LAW WON'T HELP NEW YORKERS

It is hoped that Sen. Kuchel's bill will halt interstate sales to states where possession of master keys is against the law.

But even if enacted, this law will give little protection to car owners in New York. No law exists here forbidding possession of a master key.

As explained by Deputy Police Commissioner Leonard F. Reisman, possessing a car master key is like having a beer can opener in your pocket. It cannot be classified as a burglar tool unless it is found during the commission of a theft.

Meanwhile, as you lock your car—hopefully—be thankful for one thing. They're not selling master keys to the locks on your house—yet.

AMERICAN AUTOMOBILE ASSOCIATION,
Washington, D.C., January 5, 1968.

MR. THOMAS KENNEDY,
Counsel, Subcommittee on Postal Operations, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. KENNEDY: In response to the December 26 letter of Representative Robert N. C. Nix regarding automobile master keys and our subsequent telephone conversation, I would like to suggest several possible witnesses for your January hearings on H.R. 14404.

If the hearings are held the week of January 29, George F. Kachlein, Jr., Executive Vice-President of the American Automobile Association, will be available for a presentation to the Subcommittee, otherwise it may be necessary for us to submit a statement.

In addition, I would suggest the following persons as possible witnesses.

Dr. Saul Gass, former member of the Science and Technology Task Force of the President's Crime Commission, now at the Institute for Defense Analysis, 400 Nave Drive, Arlington, Virginia, telephone 558-1648.

Michael J. Murphy, President, National Auto Theft Bureau (former New York City Police Commissioner), 100 William Street, New York, New York 10038.

Quinn Tamm, Executive Director, International Association of Chiefs of Police, 1319 18th Street, N.W., Washington, D.C., telephone 265-7227.

Additionally, you might wish to contact Joseph P. Hennessee, Counsel, American Association of Motor Vehicle Administrators, 404 Madison Building, Washington, D.C. 20005, telephone 296-1955.

The Automobile Manufacturers Association, 1619 Massachusetts Avenue, N.W., Washington, D.C., telephone 667-7733.

The Insurance Institute for Highway Safety, 2600 Virginia Avenue, N.W., Washington, D.C., telephone 333-0770.

Finally, you might wish to solicit the comments of the Post Office Department, the Department of Transportation and the Justice Department. In the latter Department, I know Richard Braun, Executive Assistant, Criminal Division, to be knowledgeable in the field.

For your further information, I am enclosing a transcript of a radio panel show dealing with "The Problem of Auto Theft." Over 100 copies of the tape of this public service presentation of the AAA were given to affiliated AAA clubs around the country for use by radio stations in their areas.

The members of the five-man panel are among the names I have listed above, except for John de Lorenzi, AAA Managing Director of Public and Government Relations, who also took part in the radio program.

Trusting this information will be of assistance to you, I am with all best wishes,

Cordially,

CARL A. MODECKI,
Assistant Director, Legal Department.

**"THE PROBLEM OF AUTO THEFT," A PUBLIC SERVICE PROGRAM PRESENTED BY THE
AMERICAN AUTOMOBILE ASSOCIATION**

ANNOUNCER. Automobile theft has become one of our Nation's most serious crime problems. It is the third most frequently committed crime in the United States and the second most costly.

The stealing of an automobile has propelled an astonishing number of our youth into lives of crime. More than 60 percent of the automobiles stolen last year were stolen by teenagers.

What can be done about this growing problem?

As a public service, the American Automobile Association in cooperation with this station presents a discussion of automobile theft, its problems and possible solutions by a panel of five men well-versed in this area.

The panel consists of John de Lorenzi, managing director of public and government relations for the American Automobile Association in Washington, D.C.; Dr. Saul Gass, a former member of the Science and Technology Task Force of the President's Crime Commission; Richard Braun, executive assistant in the Criminal Division of the Department of Justice; Michael J. Murphy, president of the National Auto Theft Bureau and former police commissioner of New York City; and Quinn Tamm, executive director of the International Association of Chiefs of Police.

The moderator is Jay Levine. Here is Mr. Levine.

Mr. LEVINE. Gentlemen, the Attorney General has recently announced a nationwide campaign to reduce the theft of automobiles. The Department of Justice is serving as national coordinator for the campaign—called the National Auto Theft Prevention Campaign—and some 19 national organizations, including the ones you represent, have endorsed it.

According to the facts, automobile theft has more than doubled over the past six years. Obviously, it is a problem.

But is it more of a problem than any other type of crime which is being committed in this country today? The frequency of crime has grown steadily on all fronts. There are more murders, more robberies, more assaults, and so on.

Why, then, bother with automobile theft? It seems innocuous compared to some of the others. Wouldn't it be better, for example, to concentrate a national campaign on reducing murders or bank robberies? Certainly, these are crimes the public is more aware of.

Is the public concerned about auto theft? Why is auto theft being singled out for this attack?

Mr. Braun, perhaps you can start us off. Why is the Department of Justice so concerned in this area?

Mr. BRAUN. Well, Mr. Levine, there are a number of reasons. For one thing, auto theft is an extremely serious crime in the sense that it's one of the most frequent of all of our major crimes. During 1966 there were more than half a million auto thefts. It's the second most expensive as far as financial loss goes, so we're talking about big numbers of crimes and big losses of money.

Another reason that I think is even more important is that auto theft is largely a youth crime. About 50 percent or more of all thefts are committed by young people under 18. Very frequently it's the first crime in which young men become seriously involved with the law, and it seems to be sort of a springboard into lives of crime, so it contributes very heavily to juvenile delinquency. It helps make the criminals of the future.

Another reason is that auto theft constitutes a serious danger on the highways because of the risks involved to other drivers.

And, lastly, another main reason we're interested in it is the fact that auto theft can be easily prevented by just a little care on the part of drivers.

Mr. LEVINE. Mr. Murphy, you have had a distinguished career in law enforcement. I know that you have been working on this auto theft prevention campaign for a number of years now. I wonder if you could tell us a little about what the campaign is about, why it's being mounted, and what your views are.

Mr. MURPHY. Well, of course, Mr. Levine, I can only repeat what Mr. Braun said as to the seriousness and the frequent incidence of auto theft. This is a crime, though, that with some precautions the public can prevent themselves from being victimized. I would like to say that in 30 years of law enforcement I've read hundreds and hundreds of criminal records, and invariably these long records start in the early stages with an auto theft someplace along the line. It seems to me to have a moral problem here, too, leaving temptation in the way of teenagers by leaving expensive cars unlocked and, very often, with keys in the ignition. There is much that can be done in this area and I certainly, for one, am happy to see so many organizations bringing to bear a united campaign against auto theft, coordinated by the Department of Justice.

Mr. LEVINE. Mr. Tamm, what do police officials feel about a campaign of this nature?

Mr. TAMM. Well, Mr. Levine, I feel that law enforcement officers, generally, will be extremely interested in a campaign of this type, especially on a nationwide basis. Good law enforcement officers have no concern about jurisdiction. They'd like to solve crimes and eliminate the problem. Auto theft is the type of crime that lends itself to public support, because the public is conscious of the fact that cars can be stolen as long as they do not lock them. Possibly they will start locking their automobiles. Over 40 percent of the thefts of automobiles, I believe, show that either the car was left with the key in the ignition or the ignition switch was left in an "on" position. This can be prevented. We have shown this in individual police departments in various places in our country and also in Canada. San Francisco, California, had an extremely successful local program, as did Hamilton, Ontario. I think that both Mr. Murphy and Mr. Braun have covered a point about the juveniles, but there's also another aspect to auto theft.

Stolen autos are used in a high percentage of cases of robbery, burglary, and other major incidents of crime around the country. Consequently, anything that can be done to prevent auto theft will actually reduce the number of major crimes which are occurring. We testified about this before the Science and Technology Task Force of the President's Crime Commission which was investigating auto theft, and I want to assure you that the International Association of Chiefs of Police and its members are heartily in accord with a program of this type.

Mr. LEVINE. Mr. Gass, why was the Crime Commission interested in auto theft? What were you looking for in your inquiry?

Mr. GASS. Well, Jay, first of all, the thing that we tried to do was collect some statistics—all the data we could—on auto theft, because we all felt it was a reasonably serious crime. As Dick Braun mentioned, I believe it's the third most serious crime as far as the magnitude in this country. And the thing that hit us as we started to take a look at the data was the involvement of the juveniles. For example, an FBI study that was done in 1962 indicated that 41 percent of the juveniles arrested during that period of the study were first offenders—in other words, this was the first time that they got involved with the police—and this is sort of characteristic of automobile theft, the high juvenile involvement. Nobody at this point has mentioned the aspect of the term called "joyriding," and this is the thing I think that comes across very strongly.

For example, taking a look at some data from Chicago we find out that most of the automobiles stolen are recovered within four miles of the point of theft. And this sort of leads us to believe that juveniles will pick up an automobile to get home or go downtown and just drop the car off. And the same thing is true in other places. Auto theft appears to be a very strange crime in the sense something is stolen but a good percentage of the goods are returned—like 88 percent of all the automobiles are returned in some condition or other. So it's this type of involvement where something is sort of made readily available to be stolen, like an automobile.

As the gentlemen have mentioned, keys are left in the ignition, the ignitions can be shorted very readily, and the juvenile sees this sort of crime of opportunity staring him in the face, so to speak, and he can sort of get away with the crime and it's a very easy thing to do.

Mr. LEVINE. Mr. de Lorenzi, you are here as a representative of the American Automobile Association which, this year, has better than 10,000,000 members. Are they concerned about auto theft?

Mr. DE LORENZI. Yes, they are, Jay, and they've been concerned about it for some time. I think the reason is rather apparent. They are the ultimate victims of this crime. So, many of our Triple-A clubs have instituted a theft reward program which we think has helped protect members' cars from being stolen. It's a very simple device, a decal is applied to a conspicuous spot on the car to alert a potential thief that a reward—in some cases as much as \$200—has been posted for the arrest and conviction of anyone who steals the car. While we don't have a national clearing house for the exact figures, we think it has worked quite well, particularly in deterring crimes. Beyond all that, in recognition of this growing problem, this year we took national action on this problem of auto theft. As you know, the Triple-A's function is to represent the best interests of all motorists, and not just our own members, so at our last annual meeting in October in Cleveland, delegates from our clubs passed a resolution urging an action program to cut down on auto thefts.

Mr. LEVINE. I wonder if you can tell us just what this action program is?

Mr. DE LORENZI. Well, basically, it's a four point program in which we urge our clubs and the national organization to cooperate with other concerned organizations in conducting a campaign to educate motorists to the importance of removing the keys from the vehicles, and almost everybody here has touched upon that particular point. We also urge the enactment of improvement of motor vehicle title and registration laws. Federal legislation governing the sale of motor vehicle master keys—a very important thing, if you've seen some of the ads in magazines—and also, improved design of automobiles to make them more theft-proof.

Mr. LEVINE. Mr. Murphy?

Mr. MURPHY. I would like to comment briefly on this phrase "joyriding." I don't think there is such a thing as "joyriding." It's a plain ordinary larceny—grand larceny. I think there's no joy in it for the person whose car is stolen or who's inconvenienced and who gets it back in a damaged condition. Certainly there's no joy in it for the person who is injured by the use of a stolen car, and there's no joy in it for the one who's a victim of a crime committed with a stolen car. And I don't see where there can be any joy in it for a boy who gets caught in a car such as this. And if he gets away with it, it can be even less joy because he's now developed an attitude that anything goes.

Mr. LEVINE. Mr. Tamm, has it been the experience of police officers that these kids, once they go ahead and take a car, are on their way—I mean, they're going to become hardened criminals? Just what has the experience been in this?

Mr. TAMM. I don't know whether, again—and I think I want to agree with Mr. Murphy about this theft of cars for joyriding or for a thrill or for a kick. I don't really know whether there's a degree of hardened criminal or criminal,

or how you separate a criminal from one type to another. I think that a crime is a crime, and if it's committed it should be punished. Undoubtedly, youngsters and juveniles probably have their—or commit their first crime by stealing an automobile, it has easy access, and from there they steal another one and it becomes relative to a disease—whether they take it for a short period or a short ride, I certainly agree it's a crime—it's a larceny and it should be prevented.

I also feel that the manufacturer should do something about automobiles to make them more difficult to start. I think there should be something done about the locking devices so that it is not possible, as was mentioned by Mr. de Lorenzi, that you can buy master keys, order them for any type of car which then makes automobiles available to you, and that they are nationally advertised. Undoubtedly, stealing of an automobile leads to additional theft of some type or additional crimes or major crime. As mentioned previously, stolen cars are a part of most of the major crimes committed in this country. It's just that simple.

Mr. LEVINE. Mr. Gass, I understand representatives of the automobile industry spoke to your Task Force. What was their feeling?

Mr. GASS. I think automobile manufacturers are quite concerned about the problem, from our discussions. They are certainly capable of making the ignition system, itself, more secure, making it more difficult for someone to get at the wires to shorten out the leads, and so on. But our concern is, I think, not so much that, but trying to get people to take their keys out of the car—out of the ignition. So what we've done is to talk various ways that we can cause an alarm to go off or a buzzer to go off, or what we call spring-loaded locks, that would kick the key out if you left it in, and there are positive things for these types of devices and there are some negatives ones in terms of inconvenience, and so on. But I think what we have to do is to take a look at the ways people steal cars and try to come up with an ignition system which causes people to take their keys out, and also have some other safety device like a steering wheel lock.

Mr. TAMM. From the police standpoint, I'd like to say that I'm glad to hear you say that the manufacturers are interested, because I think it was as recently as last year that they decided to change the lock on some of the major cars manufactured, so that when you took the key out you actually locked the car. Now this took a long time to convince the manufacturers that this was a necessary item to help prevent auto theft. So I hope that you are right that they are interested in preventing auto theft. One of the other things that law enforcement would like to see, if I might mention it rather casually, is that somebody, somewhere, sometime, suggest that the punishment suit the crime in these cases, because these cases are larceny. And in most cases, they're grand larceny, and in most cases the punishment is a slap on the wrist. I think this might discourage auto theft, in spite of the fact that I realize that this is a campaign to get people lock-conscious, that they should lock their cars, they should assist in doing everything they can to prevent auto theft, there's other assistance that can be rendered to people who have the responsibility of recovering these automobiles.

Mr. BRAUN. You're suggesting stiffer penalties.

Mr. TAMM. I certainly am. I'm suggesting, at least, some punishment—I think I'd put it that way.

Mr. MURPHY. I'm inclined to agree with Mr. Tamm, because in our experience in looking through the country we find that in the areas where there is a more serious recognition in the form of penalties—and, indeed, in some areas where they require restitution when there is an arrest made for auto theft, we have a lower rate of auto theft.

Mr. LEVINE. Mr. Murphy, are so-called master keys in widespread use? Are they a real problem? It's difficult to tell when a master key is used, isn't it?

Mr. MURPHY. They are a problem. We have no statistical data, as you so correctly indicated, but we're finding more and more recovered cars with no signs of entry—no breaks in the glass, or no evidence of jumping the ignition, which would indicate a key had been used.

Mr. LEVINE. Does it take some time to use one of these keys? I mean, these keys aren't actually master keys available from the car manufacturers. They're produced by key manufacturers. They're not actually what you would really call a master key.

Mr. MURPHY. They're so-called "jigglers" or "try-out" keys, and it depends on how many series you have to try and what the law of chance comes into it. Do you pick the one that works first, or do you have to wait a few minutes?

Mr. LEVINE. These people who advertise in magazines—and some of them are national magazines—are advertising maybe 17 keys that you can use to open any car of any given make.

Mr. BRAUN. That's their advertisement, Mr. Levin, but it's not as easy as they indicate. They are, as Commissioner Murphy said, try-out keys. They're not just a key that fits right in and turns on the ignition. So it's by no means a cinch to open a car with a master key but, on the other hand, they certainly facilitate the matter for the would-be thief.

Mr. TAMM. I don't think the major concern is whether there are master keys or not. I think if you could get the 40 percent of the people or the 50 percent of the people that are leaving their keys in the car to just take them out and put them in their pocket, you will have accomplished something that will reduce this crime by at least a third.

Mr. MURPHY. And it's also true, no matter how ingenious the locks are made or what combinations of locks are put on, if the key is there it doesn't make any difference how good the lock is.

Mr. LEVINE. The Triple-A has passed a resolution calling for a public information campaign dealing with auto theft in cooperation with other organizations. Mr. Braun, can you tell us some of the other organizations involved and what the plans are?

Mr. BRAUN. Be glad to. You mentioned the Triple-A. Of course, Commissioner Murphy is from the National Auto Theft Bureau. Mr. Tamm is executive director of the International Association of Chiefs of Police. I wouldn't want to bore the audience by listing all of the organizations involved, but they include the National League of Cities, the National Sheriffs Association, the United States Conference of Mayors, the National District Attorneys Association, the Automobile Manufacturers Association, and many others. Every one of these organizations is participating in a joint drive to bring home at the local level, through the local news media and local advertising media, to all the motorists the importance of securing their vehicles properly. I feel that it can have a tremendously successful result. In addition to that, the Advertising Council of America is assisting in this, and they will be, I hope, saturating the news media with the information media with reminders to the public. And, again, we want to explain to the public so they understand why we're doing this.

Mr. LEVINE. We're going to have something like a Smokey the Bear of the Auto Theft Bureau?

Mr. BRAUN. That's exactly right. The Smokey the Bear campaign has been so successful that it's just astonishing, and we hope that the same type of success can result from this type of campaign.

Mr. LEVINE. Apparently the concept here is to try to remind the motorist on all fronts to just take the simple precaution of taking the key from the ignition, locking the car when he leaves it, so that it will help to deter any kind of thief. What about the professional thief? Is he a real problem? Are professional thieves the guys to look out for in this situation?

Mr. MURPHY. Well, it's certainly a problem, the professional thief, but the professional thief accounts for a very small part of the total number of cars stolen and it varies from locality to locality, anywhere from 5 percent to 15 percent of the cars stolen go in the commercial rings. And locking your car, taking all the precautions prescribed would rarely be effective against the determined professional thief, because of their competence, their skill—they've spent their lifetime studying this and practicing it. But the vast majority of the cars that are stolen are under the conditions we described, largely due to negligence.

There are a lot of matters which haven't been mentioned which I think this campaign is going to support, and that is better title laws in some ten states that haven't certificate title laws at the present time. Also, lock-your-car ordinances in various cities which may not have them at this time. I think all these things—the improvement of the locking mechanism, the educational program to take your keys out, the tightening of the title laws, the enforcement and establishment of lock-your-car ordinances—all these things coordinated could have a very, very good effect in reducing the incidence of auto theft.

Mr. LEVINE. And, perhaps, Mr. Tamm, if we could get some public concern over this and some public support, it might make the job of the local law enforcement officers a great deal easier.

Mr. TAMM. I can assure you police officers throughout the country will welcome a campaign of this type. We need help. We need help in any area in which we can get it because it's impossible, obviously, to increase manpower to the point

where we can withstand the increase in crime. So if we can get public awareness in this particular area, it may lead to other areas which would be of extreme help to law enforcement. As I stated at the beginning of this conversation, law enforcement welcomes an opportunity to take part in this program, to be of what assistance we can, and we are certainly grateful for any assistance which may be rendered to us in trying to do something about auto theft and the many crimes to which auto theft leads.

Mr. LEVINE. I wonder, Mr. Murphy. You mentioned title laws. Why is it such a problem if you don't have a title law? What makes it easier for the car thief?

Mr. MURPHY. Well, the uniform vehicle code which is adopted in substance by 40 of the states in the country has an anti-theft provision as well, which flows out of this certificate of title situation. In some ten states in our country you can register a car with very little evidence of ownership, and it's been our experience that these states are the dumping grounds for the cars that are stolen in title states. We've also had the experience where the law is changed in a state the incidence of stolen cars in that state decreases.

Mr. LEVINE. Gentlemen, our time is almost up. There is time for one more comment, if someone would like to make it.

Mr. DE LORENZI. I'd like to make one, Jay. I think the important thing about all these organizations getting together on this particular campaign is that now we'll all be saying almost the same thing.

Mr. NIX. Now, the hearings have shown the following facts.

That the problem we are dealing with is a mail problem and that we not only need to have criminal penalties available but we must have administrative sanctions available which can get quick protection for the public.

The truth is that the mass distribution system of these keys which can facilitate the activities of any car thief, is by the U.S. mail, and it must be stopped.

The dimensions of this problem can be shown by the cost of car theft in the United States, which ran in 1966 to \$140 million—or \$40 million more than the President's budget on the war on crime.

In addition, 20 percent of stolen cars are involved in serious accidents. The users of stolen cars, most of them youngsters, are a menace to themselves and others.

By 1970 we may very well reach a figure of car theft of a million cars a year. Approximately 750,000 were stolen in 1967 at a rate of 1,800 car thefts a day. This is a daily increase in the last 2 years of 300 cars a day. Part of this increase must be due to the availability of master keys that are sold in sets for less than \$10 and which keys can be used for any automobile in the United States. This must be corrected.

I thank you, ladies and gentlemen, for being here, and the subcommittee will be adjourned.

(Whereupon, at 10:40 a.m., the subcommittee adjourned, subject to the call of the Chair.)

(The following news release announcing hearings by the Senate Juvenile Delinquency Subcommittee on the auto theft racket, and the opening statement of Senator Thomas J. Dodd, chairman, resuming the hearings by the Senate subcommittee on April 19, 1967, was received by the subcommittee for inclusion in the record, as follows:)

APRIL 19, 1967.

WASHINGTON, D.C.—Public hearings by the Senate Juvenile Delinquency Subcommittee on the multi-million-dollar-a-year auto theft racket will continue Wednesday, April 19, at 10:00 a.m. in the Caucus Room, #318, Old Senate Office Building, Senator Thomas J. Dodd (D-Conn.) Chairman, announced today.

In previous auto theft hearings, which began January 17, 1967, the Subcommittee was told that the annual loss through auto theft is \$600 million and that 85 percent of the thieves are juveniles or young adults.

The results of a Subcommittee study of the widespread advertising and sale of the "so-called" master keys for autos will be divulged by Dodd at the hearing.

"Subpoenaed records show that one company sold 22,000 sets of keys in 18 months, largely by direct mail advertising and by placing ads in girlie-type magazines," Dodd said.

"While the mail order key companies have protested that their product is aimed at the established service station and the auto repair shop, the advertising is worded to appeal to youngsters with thrills and larceny in their minds.

"Strikes like a Cobra," proclaims one blurb sheet showing a car door opening device which is accurately labeled a "burglar tool."

"In 11 cities a total of 950 mail order key buyers were either interviewed or checked for police records by the Subcommittee. A preliminary analysis of the reports shows that the total risk involved in these sales was 35%," Dodd said.

"In Philadelphia, for example, one mail order key purchaser had a 26-year record of 23 arraignments which included larceny, auto theft, violation of towing laws, forgery, interstate transportation of vehicles and arson. Similar cases showed up in Miami, Phoenix, Chicago, Detroit, Los Angeles, Oakland, Washington, D.C., New York, Cleveland, and San Francisco," the Senator said.

"In another city, 15% of the purchasers had run-ins with the law. Lured by an ad in a magazine which promised "high earnings" in his own business, one 14-year-old boy, already working with others in stealing cars, decided to amass his own set of tools and so bought keys with the intention of using them to steal cars. Until our inquiry, the parents were unaware that their son had purchased the keys, and when they questioned him, he readily admitted the inspiration and his plans."

Witnesses for Wednesday, April 19, will be:

Richard J. Heaney, Deputy Assistant Director
Federal Bureau of Prisons, Washington, D.C.
Lt. George Hees, Burglary-Auto Theft Division
Los Angeles Police Department, Los Angeles, Calif.

STATEMENT OF SENATOR THOMAS J. DODD RESUMING HEARINGS OF THE SUBCOMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY ON JUVENILE AUTO THEFT—
APRIL 19, 1967

This is the fourth session of our investigation into the serious problem of juvenile auto theft. We have found in previous hearings that 85% of the people who commit this crime are juveniles and young adults.

A contributing factor to this great bulk of youthful auto theft offenders, aside from the attraction of a good looking car, is the opportunity for easy theft. Since our hearings in January, we have witnessed the inauguration by the Justice Department of a national auto theft prevention campaign. Motorists are being reminded to lock ignition and doors and to take their keys with them when they leave a car. This simple precaution could eliminate the cause of 40%, or 200,000, of our annual auto thefts.

Another important step in preventing this crime has been taken by the largest car manufacturer, General Motors. Two weeks ago GM announced that, beginning with the 1968 models, buzzers will be installed to alert drivers if the key is left in the ignition. The company also announced that vehicle identification numbers will be placed on the dashboard so that they are visible from the outside.

This manufacturer is to be commended for initiating in the public interest these auto theft prevention devices.

It is encouraging to know that the American public can depend on some businessmen to share the lawmakers and law enforcers' concern about the reduction of crime on our streets.

Not all businessmen, however, accept the public responsibility that is a vital part of our free enterprise system. Rather than discouraging potential criminals, some unscrupulous individuals cater to the weakness and ignorance of some youths and immature adults.

One of the most deplorable enterprises within the existing law is the exploitation of youth for commercial gain. Since the beginning of this study into the causes and patterns of juvenile and youthful auto theft, I have grown increasingly aware of the availability and easy access to minors of so-called master auto keys.

Before discussing this problem briefly, however, I think a short explanation of the types of keys we are concerned with is in order. According to the National Locksmith's Association of America, there are five categories of keys. They include a key, a change-key, a master-key, a tryout-key, and a manipulation-key.

These definitions are useful as law-makers confront the growing use of so-called master keys which are widely sold for opening locked car doors without the owner's key.

According to our locksmiths, a master *key* opens many locks which were designed with individual combinations of tumblers and individual opening keys. But the slick ads in the girlie magazines offer a *ring of keys* to gullible youngsters with dreams of flipping open a "borrowed" car's door and turning on its ignition for a quick spin around the block or a trip to another state. The problem keys are something other than real "master keys" then.

In the package with the mail order keys comes an instruction sheet on which step 3 directs the user to: "Apply pressure to the right side and jiggle the key upwards and downwards." Step 4 continues: "If switch or lock fails to open or turn on, repeat #3 and work key outwards simultaneously." Step 5 warns: "Be careful so key doesn't bend or break." And as a last resort, step 6 encourages persistence: "In stubborn cases, especially where tumblers are worn, repeat operation if necessary."

Because the pseudo-master keys are really "tryout keys" or "manipulation keys," the locksmiths describe the use of these as simple variations of old-fashioned lock picking.

There is presently no law forbidding the advertisement and sale of these jiggle keys whose sole purpose is the entry into locked cars and the operation of ignition systems. One distributor told the committee with some pride that he had sold over \$200,000 worth in less than two years. This represents quite a volume on sets of 15 keys which he sells for \$8.00 per complete set, or \$4.00 for the most popular General Motors set. As a matter of fact, this company's subpoenaed records show that 22,000 sets of keys were sold in 18 months.

In an effort to control the indiscriminate use of "jiggle keys" and "tryout keys," the Justice Department is preparing a bill for the Congress. This committee is glad to document the need for regulatory legislation and to share the information, developed during our studies, of the kinds and uses of these keys.

Using direct mail advertising, this promoter claimed he had solicited key sales and orders for a device to unlock car doors without a key from gasoline service stations, parking garages, car dealers, and other legitimate businesses related to the auto industry. Our investigation revealed, however, that youthful employees or frequenters of the businesses obtained order blanks mailed to the company and used company names to order tools for themselves.

Ads are worded to appeal, not to the established service stations, but to youngsters with thrills and larceny in mind. "Strikes like a cobra," proclaims one blurb sheet showing a car door opening device which is accurately labeled a "burglar tool." You can see this instrument and its advertisement on our exhibit chart. The promoter also spends a considerable sum to entice a less mature audience with ads in the girlie magazines. Evidently, the come-ons do their job.

And in spite of the warning in the ads that no personal orders will be accepted—only company orders on letterhead with company checks, the flyer says—thousands of individuals who send personal checks, money orders or cash in personal stationery have received the keys without question.

At least half of the legitimate key and door opener purchasers are skilled enough to use the expensive lock picks successfully. What percentage of the teenagers interested only in "borrowing a car for a date" and what percentage of the more sophisticated car thieves can effectively use these simple tools must be left to speculation at this point.

We know they buy these keys.

Police records tell us this.

The key distributors' records tell us this.

And, confiscated property records after arrests tell us this.

In Chicago, 8% of the purchasers had police records. This is one report from the police departments to which I submitted names of the purchasers of mail order keys from companies whose records were subpoenaed. I would like to highlight other findings from this study in which purchasers' names were submitted for police record searches.

In the city just mentioned, one mail order key recipient was particularly active: his record includes robbery, auto theft, possession of burglar tools, carrying concealed weapons, and vagrancy. Another had an arrest record for receiving stolen property.

In Detroit, 15% of the purchasers had run-ins with the law. One 14 year old boy in this city was already busy with others in stealing cars. Lured by a magazine ad which promised "high earnings in your own business," he decided to amass his own set of tools and so, bought keys by mail with the intention of using them to steal cars. Until our inquiry, the parents were unaware that their son had purchased the keys, and when they questioned him, he readily admitted the inspiration and his plans.

Cases involving key purchases in other cities are likewise revealing.

In *Miami*, a service station owner was arrested on charges of receiving and concealing stolen properties, which included vehicles stolen out of state and sold by him in Florida. He was also arraigned on charges of stealing local cars.

In *Phoenix*, the son of one key purchaser was arrested on charges of auto theft and altering the motor vehicle identification numbers. The boy was employed by his father in an automobile business.

As I mentioned earlier, 8% of the *Chicago* purchasers had records of arrests for auto theft or related offenses. Some firms solicited there by the key makers were in no way associated with the automobile trade.

Among the city's key purchasers, one auto repair and towing service owner was arrested twice in 1966 for auto theft. One tow-truck operator had a record for illegal wrecking. One individual (not a business) was known to neighbors as a car thief. One auto repair garage was described by police as a "hangout" of known car thieves.

In *Philadelphia*, there were 12 criminal records in the list of 72 purchasers. In 1965 and 1966, at 35 of the addresses of these purchasers, there were 17 auto thefts, 10 burglaries, 3 burglaries from vehicles, and 5 larcenies of auto accessories. One citizen of the City of Brotherly Love had a 26-year record of 23 arraignments which included larceny, auto theft, violation of towing laws, forgery, interstate transportation of stolen vehicles and arson.

The other major cities in the Subcommittee study were Los Angeles, Oakland, Washington, D.C., New York, Cleveland, and San Francisco.

In the eleven cities a total of 950 mail order key buyers were either interviewed or checked for police records. A preliminary analysis of the reports shows that the total risk involved in these sales was 35%. We have defined a "risk" as a person with a police record, a non-existent or defunct business address, a report of stolen or lost keys, and a denial of purchase which could mean either that the purchase was made without the addressee's knowledge by a person with access to business letterhead or that the addressee would not divulge his purchase for some unknown reason. In conclusion, of the 950 purchasers checked, 333 were actual or suspected car thieves.

Perhaps now, the evidence for concern about the misuse of these "jiggle" or "manipulation" keys is clear to those who have discounted them as a factor in the annual loss of \$600,000,000 worth of property. We still do not know precisely to what extent the purported "master keys" are used in car theft. The District of Columbia Crime Report estimates that as many as 52% of the cars stolen could have been taken with jiggle keys since there was no evidence of tampering with locks or ignitions.

This is one question among others that we will explore in this series of hearings.

