American Association of Motor Vehicle Administrators

Abandoned Vehicle & Mechanic Lien Fraud Prevention Best Practice Charter

I. NAME
The name of the working group shall be the "Abandoned Vehicle & Mechanic Lien Fraud Prevention Working Group", hereinafter referred to as the "Working Group".

II. PURPOSE and ANTICIPATED DELIVERABLE
The Working Group purpose is to:
- Research current laws, rules, policies, and procedures for the titling, registering, and investigating of abandoned and mechanic lien vehicles;
- Obtain previous survey information and conduct new survey(s) to determine membership needs, concerns, gather best practice ideas and determine project scope;
- Conduct research with technical advisors in related fields to determine issues, vulnerabilities, concerns, and to obtain ideas for the development of best practice recommendations.

The Working Group deliverable will be:
The publication of a "Best Practices for the Prevention of Fraud in Titling and Registering Abandoned and Mechanic Lien Vehicles" document that:
1. Provides resources and information to enhance and further develop abandoned vehicle and mechanic lien title processing programs;
2. Provides educational information to promote outreach to enhance motor vehicle agencies, vehicle finance providers, and law enforcement's knowledge of program details, procedures, and fraud prevention;
3. Provides investigative resources and tools to enhance awareness and skills in the investigating of related criminal activity;
4. Provides sample legislation, rules, and procedures to encourage fraud prevention enhancements.
5. Includes any applicable appendices as necessary.
III. BACKGROUND
The processing of vehicle titles and registrations for abandoned and mechanic lien vehicles by motor vehicle agencies is an important responsibility and one that can be taken advantage by individuals seeking to obtain financial benefits by deception. These vehicles can be nuisances to communities and consume considerable resources by those wanting to dispose of them. These vehicles may also contain excessive damage that is not disclosed, making future purchasers at greater risk for their safety when operating these vehicles.

As applicants for titling abandoned and mechanic lien vehicles do not typically possess properly assigned titles, motor vehicle agencies rely on laws, rules, and procedures for processing applications, many times trusting the word and statements of the applicant for validation. In some situations, these laws, rules, and procedures were written well before technology and criminal technical advancements. Law enforcement conducting investigations involving fraud in these applications may be challenged by the lack of information in the title application as well as inadequate enforcement laws, making successful investigations and prosecution difficult. This may also result in the allowing of vehicles to be operated on the highway with undisclosed and unrepaid damage or cloned/stolen vehicles being undetected.

Every day vehicle loans are written by financial institutions securing thousands of dollars in vehicle collateral. Financial institutions expect liens will be secured by vehicle titles and will be kept secured until the loan is satisfied. Because of inadequate or outdated title processing laws, rules, and procedures, financial institutions suffer significant loss by people taking advantage of these vulnerabilities. This may result in higher finance rates and increased use of law enforcement investigative resources.

The Law Enforcement Standing Committee (the parent committee) recommends a Best Practices Guide be developed with emphasis on identifying and publishing a recommended best practice for the prevention and detection of fraud in titling and registering abandoned and mechanic lien vehicles.

IV. MEMBERSHIP
a. The Working Group Chair (and maybe Vice Chair) shall be selected by a majority vote of the working group members.

b. The Working Group shall consist of individuals representing jurisdiction motor vehicle and law enforcement agencies. The Working Group will be supported by one AAMVA staff project manager and one additional AAMVA staff person with subject matter expertise on vehicle related programs.

c. The membership of the Working Group shall not exceed 10 members (including staff).

d. The Working Group may be augmented by a number of Technical Advisors as deemed appropriate by AAMVA staff.

V. MEETING PROCEDURES
a. The Working Group will meet at the call of the working group chair, either by conference call or in person. Two (2) in-person meetings of the full Working
Group will be conducted and one (1) additional in-person meeting will be conducted to include the working group chair, two additional Working Group members selected by the chair, and the two AAMVA staff assigned to the working group. Conference calls will be scheduled as needed, determined by the working group chair and project manager.

Member costs associated with travel to in-person meetings will be charged against the budget approved by AAMVA. Technical Advisors must pay their own expenses associated with attending in-person meetings. The Chair of the Working Group and the staff program manager will communicate regularly with the group of the current state of activity and future plans.

b. A majority of the members, either in person or by teleconference, shall constitute a quorum. A majority vote of the members present shall constitute an official action of the Working Group.

c. The Working Groups final Draft will be be shared with the AAMVA Law Enforcement and Vehicle Standing Committees for review and edit recommendations will be considered by the Working Group leadership. Upon approval by the AAMVA CEO and International Board of Directors, the final document will be published.

VI. CHARTER AMENDMENTS
All proposed amendments must be approved by a quorum of Working Group members and forwarded to the Law Enforcement Standing Committee Chair for final approval.

VII. WORKING GROUP TERMINATION
The Working Group will be dissolved not later than September 30, 2019 unless tasked with additional responsibilities or otherwise extended.

Submitted by:

[Signature]
Paul Steier, AAMVA Law Enforcement Program Manager
Title/Name/Position

Approved by:

[Signature]
Jason Berry, Chair, Law Enforcement Standing Committee
Title/Name/Position

March 19, 2019
Date