Fraud Detection and Deterrence

AAMVA Workshop
New Orleans
March 2012
Former Internal Fraud Working Group Members

• John Kuo, Maryland (Chair)
• Shawn Sheekey, New Jersey (Region I)
• Carmen Alldritt, Kansas (Region III)
• Tom Edwards, California (Region IV)
• Doris Bonet, Arkansas (Region II)
• Sheila Prior, AAMVA
• Fred Porter, AAMVA
Do we really need to discuss FRAUD?

What does fraud have to do with law enforcement? Why your state motor vehicle agency should consider partnering with ICE, the FBI and other federal agencies? It can help with early fraud detection and deterrence.
IFWG Goals and Deliverables

• Review and communicate to AAMVA members the lessons learned from detection of internal fraud cases
• Develop a Best Practices Guide to assist DMV administrators in considering the implications of internal fraud in their own agencies
EZ-MVA
The Motor Vehicle “Treasure Chest”

- Driver’s licenses and identification cards
- Commercial driver’s licenses
- Vehicle titles
- Vehicle registration plates
- Vehicle registration stickers
- Disabled parking placards
Fraudulent Documents

Counterfeit Social Security Cards

- No Planchettes (small colored dots)
- Signature line is not microprint (only seen under magnification)
- Columns are not in intaglio print (raised ink that can be felt)
- Nothing fluoresces when placed under the Black light (Seal and certain Planchettes fluoresce under UV)
- Data is printer/typewriter font, not dot matrix as used by SSA
- No pantograph (the word VOID in background when photocopied)
Counterfeit Virgin Island Birth Certificate

• Nothing fluoresces when placed under the Black light
• Paper is not security paper. Ink splatter reveals it was printed on an inkjet printer (secure paper will have true color – pink background all pink, no sprays or drops of other ink colors)
• No pantograph (the word VOID or COPY in background when photocopied)
• The seal reads “Government of the Virgin Islands - SEAL” (Genuine seals reveal the issuing agency, County, and/or State)
**Altered Maryland Birth Certificate**

- Smudge marks all over the document is a strategy of altering documents. And a key to look for alterations.
- The name was cut out and replaced.
Altered Maryland Birth Certificate

- Smudge marks all over the document is a strategy of altering documents. And a key to look for alterations.
- The birth file number is usually contains the persons year of birth (in the example below 122-58-03734 would indicate the person was born in 1958; However when you look at the actually date of birth, it reads 1956.
- Other clues would be breaks in the lines above and below the data. On the sample you can see many breaks both above and below the date of birth.
Fraud IS a Problem

- 46 Arrests of Commercial Drivers – Fraudulently Obtained Driver Licenses – New York, 5/9/11
- SC woman accused of driver’s license fraud – SC, 7/21/11
- Ex-DMV employee, 14 others charged in driver’s license fraud scheme – California, 8/23/11
- 3 Indicted In Driver’s License Fraud – NM, 8/26/11
- Instructor Charged with Driver License Fraud – Hawaii, 11/17/11
- Jail for woman convicted of driver’s license fraud – Utah, 2/13/12
- Twins Accused of Driver’s License Fraud – Mass, 2/19/12
Fraudulent MD Licenses
**Authentic**

Authentic license contains (-) after letter in beginning of license #

**Counterfeit**

(-) is missing on counterfeit license

Reverse side in restriction area of authentic license is indicated as Restriction(s):

Restriction(s):
- B - Corrective Lenses
- C - Outside Mirrors Each Side

Counterfeit license is indicated as Restrictions(s):

Restrictions(s):
- None

Reverse side lower left-hand corner of authentic license contains MVA logo and signature of MVA Administrator

Signature is missing from counterfeit license
2 Security Features

**Authentic License** - One of the best security features is the microprint line across the center of the driver's license. (This applies only to the one with the crab on it) When viewing the line with a magnifying glass, you will continually see **MVAMDOT**.

**Fraudulent License** – If the license is fraudulent, you will see a straight black line.

---

**Fraudulent & Valid Sample – back of driver’s license**

---

Driving in Maryland implies consent to chemical testing for intoxication as required by law. Longer license suspension may result from refusal to be tested.

**Restrictions:**

- **Restriction(s):**
  - C - Noncommercial vehicles weighing 25,000 or less pounds GVM, EXCEPT motorcycles.
  - D - Corrective Lenses
  - J - Mandatory Restraints All Occupants

**FRAUDULENT**

**VALID**
Howard County Police Department
Education and Training Division

TRAINING BULLETIN

May 2011

FRAUDULENT MARYLAND DRIVER'S LICENSE ALERT

High quality fraudulent Maryland driver's licenses are being imported from China. Security feature and appearance characteristic differences from genuine licenses are difficult, but not impossible to determine. Possession of this type of document is an offense under both CR 8-303 and TA 16-301K. Both charges should be placed during a custodial arrest.

**FRAUDULENT**

- **Front of Card:**
  - Different "Wheel" logo and letter "A"
  - Microprinted center line is missing the "M" in the repeating "MDOTMVA"

- **Back:**
  - Restrictions(s): None
  - Some have no MVA official's signature

**GENUINE**

- **Front of Card:**
  - Extra letter "S"

- **Back:**
  - Restriction(s): B - Corrective Lenses
Still Don’t Think You Have Fraud?
Name: GRAHAM ROCKETT AMBERSTAIN
Soundex: RGRM-RKRT-AMERB-TN

Captured 11/12/2011 10:31:06 AM
Loch Raven/Parkville Express Branch
Issued 11/12/2011

Captured 6/19/2009 8:57:47 AM
Loch Raven/Parkville Express Branch
Issued 6/19/2009

Captured 10/9/2007 11:06:15 AM
Loch Raven/Parkville Express Branch
Issued 10/9/2007

Captured 7/11/2007 11:47:02 AM
Central Issuance
Issued 7/11/2007

Loch Raven/Parkville Express Branch
Issued 6/23/2006

Captured 3/10/2005 9:52:47 AM
Bel Air Branch
Issued 3/10/2005

Captured 9/17/2004 11:51:30 AM
Bowie Branch
Issued 9/17/2004

http://dlsweb01.dls.mva.mdot.mdstate/dlsimage/DLSImagePrintThumbnail.asp?soundex=... 2/29/2012
Fraud – A Constant Threat

• Increasing economic value of identity theft
• Increasing reliance of DL/ID for proof of identity for employment and financial purposes
• Increasing street value of fraudulently issued DL/IDs (thousands of dollars)
• Demand for “washing titles” to dispose of stolen vehicles for better price or for security to obtain fraudulent car loans
Internal Fraud Work Group Recommendations

- Elevate internal fraud detection as a executive/senior management responsibility
  - Establish/strengthen internal audit unit
  - Establish/strengthen relationship with internal and external investigatory and prosecutorial agencies
  - Internal investigations
  - Law enforcement (State Police, FBI, DHS-ICE, etc.)
  - State and Federal prosecutors
Maryland Lessons Learned

- Federal LEAs have an enormous depth of resources including other Federal LEAs, that have allowed Maryland to achieve better investigative results than MVA could have done on its own.

- Because Federal LEAs have nationwide jurisdiction, they can obtain search and arrest warrants with fewer jurisdictional red-tape issues.

- Federal charges, with typically longer sentences and less flexible sentencing guidelines, that its state counterparts, have helped send a more credible message to its employees that the Maryland MVA is serious about internal fraud.
Checks & Balances (More is better)

- Routine System Generated Reports
- Random Supervisory Transaction Review
- Regular Managerial Review of Transactions
- Employee Transaction Tracking
- Toll-Free Ethics Hotline
- Quality Assurance Reviews
- Internal Audit Reviews
- ZERO TOLERANCE Message!!!!
New Employee Orientation

Let’s Talk About Zero Tolerance!
DL/ID OTC Fraud

Fraud Incidents
New EZ-MVA