Auto Fraud
10-28-14
Unit Chief Steve Eppens
Nebraska DMV Fraud Unit
Nebraska Department of Motor Vehicles

Fraud Unit

DMV Nebraska
Fraud Unit

- Unit Chief Steve Eppens
  - Investigator Marlan Hohnstein
  - Investigator Sid Yardley
  - Investigator Glenn Elwell

- Crime Analysts
  - Lois Lewandowski
  - Lisa Banks
  - Ed McMeen

- Research Analyst
  - Margi Stelling

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DMV Fraud Unit Responsibilities

- Investigation of Criminal Offenses Reported to DMV
- VIN Inspections
- Maintain Professional Relationships with Federal, State and Local Law Enforcement Agencies
- Assist Law Enforcement Agencies in Criminal Cases
- Facial Recognition Searches

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Criminal Cases

• Estimate 550 criminal cases annually as a result of Facial Recognition
• Other criminal cases are estimated at 300 cases per year
• Most criminal cases handled by the Fraud Unit are Felony crimes with complex investigations

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Crimes Investigated by Fraud Unit

- Identity Theft
- Auto Theft
- VIN Cloning and Alteration
- Title Fraud
- Odometer Fraud
- All Criminal & Traffic Laws associated with above offenses

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Who are the people who typically commit auto fraud crimes?

- 95% of our identified suspects have prior criminal histories
- Highly organized operations
- Officer Safety Risks
Title Fraud Scheme

- Suspect purchases a vehicle
- Suspect titles the vehicle
- Suspect assumes a loan on the title
- Suspect immediately after obtains a duplicate title
- Suspect fails to pay loan
- Suspect sells vehicle
Vehicle Document Fraud

- Unlicensed Auto Dealer
- Tax Evasion
- Fraudulent Form 6
- Fraudulent In-Transits
• Possession of Stolen Firearms
• Possession of Narcotics
• Possession of Fraudulent Documents
• Frequently Parallels Identity Theft Investigation
Classic Automobile Fraud

- Cloned Cars
- Tax Evasion
- Stolen autos and parts
- Craigslist / eBay listings
VIN Cloning / Vehicle Identity Theft

Using a VIN number from a legally registered vehicle to mask the identity of a stolen vehicle

- VIN’s from 1981 – present contain 17 characters on automobiles manufactured for sale in North America
- VIN’s prior to 1981 were not standardized and are much shorter

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VIN Cloners

- Steal high end vehicles
- Steal VIN plates from high end luxury vehicles and expensive SUVs
- Thieves steal VIN numbers from vehicles parked in lots, internet advertisements and auctions
- Thieves need only the VIN number, not the actual VIN plate

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VIN Cloners

• After a legitimate VIN is obtained, thieves punch out new VIN plates and replace the plates on the stolen vehicle

• Fraudulent documents are manufactured with the use of modern computer technology

• The stolen cloned vehicle is usually sold through classified advertisements or online auctions
Clone Targets

Middle income consumers who are thrilled to get a deal on an expensive vehicle

IF IT’S TOO GOOD TO BE TRUE... IT USUALLY IS!

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Tips for Consumers

• Be extremely cautious of high end luxury vehicles selling for less than the normal market price

• Do not fall for the “We Need Cash Quickly” scheme
Tips for Consumers

- Verify
  - VIN located on the dash to the title documents
  - VIN located on the dash to the VIN on the door jam
- Examine documents for misspellings, other known security features to determine fraud
- Obtain a CarFax Report
i-consumer.org and Consumer Guide’s 2009 Top Pick on-line auto auction websites

• car-auction.com
• gov-auctions.org
• seizecars.com
• GovernmentAuctions.org
Law Enforcement Tools

- NICB Search
  - $36 million in fraudulent vehicle transactions in 2008
- CarFax
- Investigative police work & examination of suspect vehicle
- Hidden factory VINs and serial numbers on vehicle parts
- Continue training and education

ISO Claim Search

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Nebraska Vehicle Title Document Security Features
Think outside the box!
Nebraska Department of Motor Vehicles
Motor Vehicle Fraud Unit

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