Overview of DMV Investigations

DEPARTMENT OF MOTOR VEHICLES
Investigations Division

Presented by:
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Discussion Topics

- The expanding role of the Department of Motor Vehicles (DMV) investigator.
- What makes Investigations (INV) unique?
- How does INV mutually work together with law enforcement to combat both internal and external DMV fraud?
- How investigators can be useful partners with various levels of law enforcement and other related entities.
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Expanding role of the DMV investigator
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The Investigations Division (INV) History

- In 1947, 28 Motor Vehicle Investigators are employed by DMV, after the Governor separated CHP from DMV.

- By 1953, Investigators were employed at the DMV and granted peace officer powers to enforce Driver License, Registration and taxation violations.

- In 1965, INV had approximately 130 employees located in 10 district offices.

- By 1971, DMV Investigators were given the additional duties of investigating consumer complaints relative to auto dealerships.

- In 1983, the division consisted of 226 investigators assigned to 61 district and satellite offices.
INV TODAY

- INV is staffed with approximately 250 Investigators
- Peace Officer powers pursuant to:
  - California Vehicle Code 1655
  - California Penal Code 830.3(c)
- 128 non-sworn administrative and support staff
The Investigations Division is comprised of three branches:

- Special Operations Command
  - Office of Internal Affairs

- Field Investigations

- Administrative Services
Our primary focus is on:

• Altered and counterfeit documents
• Identity theft
• Automobile industry / licensee fraud, unlicensed dealer / dismantler activity
• Auto theft
• Financial crimes
• Odometer tampering
• Consumer / employee fraud
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Investigators perform a wide variety of duties such as:

• Conduct surveillance and undercover operations
• Prepare and serve search and arrest warrants
• Participate in joint task force assignments along side local, state and federal law enforcement agencies
• Computer Forensics

Provide training and education at no cost to:

• Allied law enforcement and government agencies
• Civilian organizations, businesses
• Consumer outreach programs
• DMV & INV staff
How does INV mutually work together with law enforcement to combat both internal and external DMV fraud?
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Combating internal fraud
Special Operations Command
Special Operations Command consists of two components:

Office of Internal Affairs

- Investigative in nature including terrorism liaison / task force programs

Office of Confidential Services

- Non sworn in classification providing professional and technical services
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Special Operations Command

Office of Internal Affairs (IA) conducts:

• Employee criminal investigations to include:
  • Driver license & identification card program fraud
  • Vehicle registration program fraud
  • Information misuse / alter / access of records
  • Embezzlement of State Funds

• Citizen complaint program

• Departmental task force assignments

• Departmental program inquiries
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Special Operations Command works with other local, state, and federal law enforcement agencies to deter employee fraud.
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Southern California: El Cajon / San Diego Driver License (DL) Investigation

Fraudulent Commercial and Non Commercial Driver Licenses

- Bribery
  - Class A: $1K to $3K to broker
  - Class C: $300 to $400 to broker
  - Employee: $100 per test

- Conspiracy
- Foreign born applicants with US legal presence
- Joint investigation with Federal Bureau of Investigations (FBI) San Diego
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El Cajon Field Office

Broker

Rancho San Diego Industry Service Center

6 DMV Employees

145+ recipients

1 DMV Employee
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Southern California:
El Cajon / San Diego DL Investigation

CONVICTIONS

Jim Bean
2013: 597 Days Imprisonment
3 yrs. probation

Jeff Benarek
2014: 3 yrs. Federal Custody
3 yrs. probation

Scott Friedli
2014: 8 mos. Federal Custody
3 yrs. probation

Marco Beltran
2014: 6 mos. Federal Custody
2 yrs. probation

Jesse Bryan
2014: 6 mos. Federal Custody
2 yrs. probation

Gabriella Villanueva
2013: 5 yrs. probation

Erica Turner
2012: Adverse Action

Kuvan Piromari
2015: 12 mons. 1 day Federal Custody
$145k Restitution
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Special Operations Command

A Successful IA Program should develop:

- DMV program Subject Matter Experts (SME)
- Law enforcement, Government, community contacts
- Undercover operations / confidential informants
- Computer forensic teams
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Combating External DMV Fraud

Field investigative programs:

• Driver License
• Vehicle Registration
• Occupational Licensing
INV has effectively partnered with federal, state and local agencies to combat counterfeit document mills and identity theft.
In a recent Investigation in the Tulare County Town of Orosi, DMV Investigators and Homeland Security Investigations combined resources to conduct a large scale undercover operation involving counterfeiting.

Air support was provided through this collaborative effort by Homeland Security.

This was needed due to the remote areas the counterfeiters operated in.

Resources were shared to keep close watch on the suspects and document runners through vehicle surveillance.
• 3 Controlled buys were conducted over a 4 month period.

• Each buy consisted of a driver license, Social Security card and Matricula Consular card.

• The mill house and suspect were identified.
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Another case example of partnering with law enforcement...

- Whittier PD conducted a traffic stop; numerous California Identification cards, counterfeit credit cards and counterfeit personal checks were recovered in the engine compartment of a 2013 Infinity. The Infinity was a Hertz rental.

- Five suspects were identified and three were arrested by the Whittier PD. Forensics was done connecting one of the suspects to counterfeit checks found.

- INV took lead on the criminal scheme involving stolen Identification cards, checks, and counterfeit credit cards being used to fraudulently obtain money.
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The Criminal Scheme
INV executed the service of four search warrants at the suspects’ location.

Two suspects were taken into custody on $20,000 bail and charged with at least one count of Forgery and Conspiracy.
Vehicle Registration Program

INV has effectively partnered with other DMV units as well as local and federal law enforcement agencies while combating vehicle registration fraud.
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CARFAX ODOMETER RESEARCH 2013

Odometer fraud is a major problem

• Vehicles in operation with rollback: 1,013,929

• Cases of odometer fraud per year: 190,255
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• INV is seeing new trends and technology in odometer fraud
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• INV received a complaint from a victim who purchased a Chevy truck off of Craigslist; odometer was tampered with.

• A subpoena on Craigslist, indicated a potential of 90 more victims.

• A search warrant was obtained and served on two locations.

• The Fresno County District Attorney’s Office filed charges on the subject of this investigation, an arrest warrant was obtained and the subject was arrested.

• Hill, after being found guilty of Grand Theft, was sentenced to 6 months in the Fresno County Jail, 5 years’ probation, restitution in the amount of $39,906, pay a fine of $1,400.

• Additionally the Judge ordered Hill to make a video for law enforcement identifying how odometers are altered.
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Hill’s court ordered video
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Occupational Licensing Program

INV has effectively partnered with other DMV Units, local law enforcement, and other state agencies while investigating occupational licensing violations.
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Curbstoning / unlicensed activity cases are prevalent; harming consumers and the industry.

In 2014 there were 1,384 Unlicensed Activity cases.
Unlicensed Activity

An unlicensed dismantler was identified by State of California Auto Dismantlers Association (SCADA) and information sent to INV to conduct investigation.

Multiple agencies became involved during the investigation.
There were approximately 300 vehicles on the 25 acre site along with several large shipping containers and tractor trailers.
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Some factors that make INV unique:

- Subject Matter Experts
- Law Enforcement perspective
- Maintaining the integrity of the DMV’s documents and data
- Provide technical and professional assistance to outside law enforcement
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Combating fraud together with INV’s Administrative Branch
Administrative Branch

Administrative and Support Staff:

• Non-sworn in classification
• Provide liaison and assistant capabilities to the investigators

The administrative services and support staff roles have specific functions identified as:

• Professional Services
• Technical Services
Professional Services

• Administrative in nature, these functions support law enforcement ensuring uniformity of business operations

• Through innovative ideas, professional services supports the betterment of Investigations / Department
Technical Services

- Technical services support the investigators, external law enforcement agencies and the public
  - Subject Matter Experts (SME)
  - Prepare pre-case work-ups
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How investigators can be useful partners with various levels of law enforcement and other related entities.
Operation Stonegarden

MISSION:
Department of Homeland Security, CBP / Border Patrol, state, and local law enforcement agencies operating in San Diego County will collaborate to raise border security by increasing law enforcement presence along the borders, joint special operations, intelligence / information sharing and communication.
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Operation Stonegarden

Stakeholders:

- CA DMV Investigations
- San Diego Sheriff’s Department (SDSO)
- San Diego County Probation
- San Diego County Police Departments
- U.S. Customs and Border Protection (CBP)
- Immigration and Customs Enforcement (ICE)
- California Highway Patrol (CHP)
- California Department of Parks and Recreation
- California Department of Fish and Game
- Orange County Sheriff’s Department (OCSD)
Operation Stonegarden

Results:

- Felony Arrests: 576
- Misdemeanor Arrests: 10
- Cases Opened: 731
- Cases Closed: 501
- Documents Vetted: 492
- Controlled Records Investigated: 171
- Stolen Vehicles Recovered: 9
- Search Warrant: 2
Operation Stonegarden

Operation Allied Shield IV

- The mission is to leverage law enforcement resources to conduct a unified / integrated gang suppression interdiction at specific locations in San Diego County.

- This was done to disrupt and dismantle the criminal activity associated with street gangs and their association with transnational criminal organizations.
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Operation Stonegarden

Operation Allied Shield IV

Overall law enforcement activities:

- Vehicle Stops: 1,141
- Citations Issued: 323
- Arrests: 372
- Narcotics Seizures: 79
- Non-Drug Seizures*: 34
  *Non-Drug Seizures include nine guns ($3,500), knives, one car and $5,680 in cash.
- Field Interviews: 839
- Documented Gang Members / Associates Identified: 64
- Documented Gang Members / Associates Arrested: 48
DDBEU - The DMV Document Border Enforcement Unit (DDBEU)

DDBEU was established to work jointly with Department of Homeland Security, Customs and Border Protection (CBP) at the San Ysidro Port of Entry to enforce those laws pertaining to the security and integrity of DMV documents.
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CATCH

Computer and Technology Crimes High-Tech Response Team (CATCH)

- The mission of CATCH is to apprehend and prosecute high-technology criminals, protect citizens from high-tech crime, and proactively investigate computer-related identity theft crimes.
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OCDEFT
Organized Crime Drug Enforcement Task Force (OCDETF)

• Focus is on drug related activity relative to DMV document violations such as fraud, counterfeit, and fraudulently obtained documents.

• The designated DMV investigator has top-secret security clearances granted by the FBI and has been federally deputized for the period assigned to the task forces.
OCDEFT

Organized Crime Drug Enforcement Task Force (OCDETF)

- The investigator also receives tasks from the Joint Terrorism Task Force (JTTF).

- The investigator also participates in Major Mexican Traffickers Strike Force (MMTSF) and MMTSF a co-located interagency investigative team.
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Wrap up
✓ Establish relationships with law enforcement partners / external stakeholders.
✓ Subject Matter Experts on DMV indicia, services and databases.
✓ Professional and Technical Services.
✓ Advantages are gained when DMV and law enforcement agencies pool resources and work towards a common goal.