NMVTIS: The Importance of Establishing a Help Desk for NMVTIS and an Update from the Business Rules Working Group

Facilitator:
Vivienne Cameron, Senior Director, Special Projects AAMVA

Presenters:
Clint Thompson, Chief of Title Services, Vehicle Titles and Registration Division, Texas Department of Motor Vehicles

Jim Taylor, President, Auto Data Direct

Steve Watkins, Director, License and Theft Bureau, North Carolina Division of Motor Vehicles

Steve Levetan, Executive Vice President, Pull-A-Part, LLC
The National Motor Vehicle Title Information System (NMVTIS) is designed to protect consumers but is also a great tool in assisting states and law enforcement in deterring and preventing title fraud and other crimes. This session will discuss the importance of states establishing a Help Desk for NMVTIS, an Update from the Business Rules Working Group, and guidelines for downloading and accessing data from NMVTIS.
NMVTIS Business Rules
Working Group
Update

Region II Conference
Montgomery, AL
Established: July 2012

Charter: Identify and address business issues relating to NMVTIS on an on-going, as needed basis.

Membership:

1. Kitty Kramer, Chair, (CA)
2. Andrew Frey, Vice Chair, (IA)
3. Cindy King, (DE)
4. Priscilla Vaughn, (NH)
5. Penni Bernard, (PA)
6. Shannon Degrazio, (WY)
7. Valerie Bowman, (VT)
8. Tony Hall, (TX)
9. Sharon Madison, (SC)
10. Nancy Blair, (OH)
11. Rod Smith, (IL)
12. Brion Gappa, (FL)
13. Ted Imfeld, Nevada
Several Best Practices have been identified


It is anticipated that Edition 3 will be published at the end of 2015.
Sample of Issues:

- Duplicate Titles
- Reporting Brands
- SEW Messages
- Undercover Police Vehicles
- Vehicle Make Codes
- VIN Corrections
- VIN Decoder
Samples of the Issues

- Dealer Assignments
- Resolving vehicles with the same VIN
- Title transaction type
- Brands on non-titled vehicles
- Recovered stolen vehicles
Issues coming in Edition 3:

- System Data Purge
- Communication between jurisdictions
- Multi-stage vehicles
- Moving a vehicle record to history
- Identifying duplicate VINs
Encourage jurisdictions to **review** all of the best practices

- Document the best practices you have **implemented**
- **Develop a plan** to adopt more in the future as resources permit

Consistent and uniform NMVTIS data strengthens state title programs, reduces fraud and increases consumers protection
What’s Next?

• Continue to address issues as they arise, establish best practices, if appropriate

• Working on a concept of performance measurement as a way to help states optimize their NMVTIS participation – reap the full benefits!!
Importance of Establishing a NMVTIS Helpdesk
June 23, 2015

Clint Thompson
Chief of Title Services
Vehicle Titles and Registration Division

Texas Department of Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.
Agenda

• Benefits of a Helpdesk
• Texas Overview
• Texas Helpdesk
Benefits of a Helpdesk

• Direct point of contact for state to state communications
  – Contact with subject matter expert (SME)
  – Avoids a state’s call center

• Helpdesk contact information is used for state to state contact only
  – Should never be given to public
  – Increase state’s response times
Central unit within a state to handle any NMVTIS issues
  - Rather than individual offices or entities
    - Texas has 254 county tax offices (some with up to 16 offices) and 16 Regional Service Centers

Work more complicated issues with customers

Use the NMVTIS State Web Interface Helpdesk feature
  - Allows SMEs to update NMVTIS directly
  - Eliminates need to contact AAMVA Helpdesk for most issues

A responsive helpdesk is critical to the ongoing success of NMVTIS
Texas implemented statewide May 12, 2014

- Batch inquiry and batch update
Texas Overview

• To set the perspective:
  – 254 Counties
  – 25,000 to 30,000 daily title transactions
    • On pace for 7 to 8 million this year
  – 450 to 550 daily NMVTIS errors
    • Approximately 1.5% to 2% of daily title transactions
Texas Overview

• May 12, 2014 to April 3, 2015:
  – 5,741,150 county and TxDMV inquires
    • 96,130 NMVTIS errors
  – Discovery of:
    • 9,247 odometer readings discrepancies
    • 15,095 brand discrepancies
    • 2,135 superseded titles
    • 9 fraudulent titles
Of the 15,095 brand errors:

- 229 junked (nonrepairable) vehicles
- 4,344 recaptured brands (not on surrendered ownership)
- The rest (~10,000) were primarily data entry errors
  - 10% of total NMVTIS errors
Texas Helpdesk

• 6 Full Time Employees
  – 1 Customer Service Coordinator (Unit Coordinator)
  – 5 Customer Service Representatives

• Unit reports to Title Control Manager
  – Manager has three additional units that perform other title related functions
  – Manager reports to Chief of Title Services
April 2015:

- Processed approximately 4600 transactions
  - 35 transactions per employee per day
  - Approximately 770 transactions per employee per month

- Sent 375 brand letters, 19 junk letters

- TxDMV NMVTIS Helpdesk Mailbox:
  - Approximately 2300 outgoing emails to other jurisdictions
  - Handled 19 incoming emails from other jurisdictions

- Opened 29 support tickets with AAMVA
Texas Helpdesk Responsibilities

• Review Daily Error Reports

• Review and resolve “SEW” errors

• Work with counties, customers, and other states to research vehicle records

• Monitor the Texas NMVTIS email box

• Adding, deleting, or modifying records in NMVTIS

• Send brand notification letters
Texas Helpdesk Responsibilities

• All NMVTIS errors that cannot be resolved by local offices are handled by Helpdesk

• All brand errors, regardless of reason for the error, are reviewed by Helpdesk

• Only unit that uses the “Helpdesk” feature of the NMVTIS State Web Interface (SWI)

• Verify every junk/nonrepairable brand with other states
Consider your total, daily volume of title transactions

- 1.5% to 2% of those will likely experience a conflict with NMVTIS

Average about 10 minutes to work a NMVTIS error

- Some cleared quickly; others take coordination with other states, increasing the work effort
- Time includes the auxiliary time:
  - logging/tracking
  - sending emails
  - placing/receiving phone calls
  - drafting and sending letters
• Consider auxiliary functions
  – Statistics
    • NMVTIS is great for success stories/statistics
    • 1 to 2 hours per month tracking/reporting NMVTIS statistics/successes

  – Customer service (phone calls/emails)
    • Inquiries from title applicants with whom you’ve interacted
    • Inquiries from other areas of your agency such as your public customer service center or public serving offices

  – Emails from other states
    • Volume depends on your data integrity in NMVTIS
      – Texas has over 50 million records in NMVTIS and only 19 emails from other states in April 2015
    • Average 10 to 15 minutes per inquiry
NMVTIS from a Small Business Perspective
A Provider – Consolidator View

June 22, 2015
Jim Taylor
Over **9,400 businesses** have reported more than **39 million JSI records** using ADD services - almost 50% of the JSI records in the system.

**Salvage Reporting Milestones**

**2009** ADD becomes the first data consolidator for the JSI reporting program, bringing the upload system online in only 40 days.

**2010** ADD launches a no-cost salvage reporting service

**2012** ADD is selected by the Georgia DOR to be the exclusive provider for its consolidated state and federal reporting program.
JSI Data Consolidator

JSI Reporting Accounts

- Parts Recycler: 60%
- Tow Operator: 17%
- Metals Recycler: 9%
- Salvage Pool: 11%
- Insurance: 3%

Record Reporting Methods

- Free Single Entry: 1%
- Paid Single Entry: 19%
- Batch Upload: 32%
- API Web service: 47%
Individuals and businesses have accessed more than 1.6 million PPI records through ADD since 2009.

Those PPI inquiries translated into more than $330,000 in consumer access revenue credit to offset state fees.

In 2014 alone, ADD users generated $33,500 in offsetting credit for Region II member states.
PPI Records by Industry

- California Auto Dealer: 48%
- Metal Recycler: 20%
- Individuals: 6%
- Auto Dealer: 8%
- Towing Operator: 7%
- Parts Recycler: 3%
- Other Industries: 1%
- Public Agency (Non-Governmental): 1%
- Recovery Agent: 2%
- Salvage Pool: 1%
- Title Company: 1%
- Financial Institution: 1%
- Insurance Company: 1%
- Parts Recycler: 3%
- Other Industries: 1%
- Recovery Agent: 2%

PPI Access Provider

- Auto Dealer: 8%
- Metal Recycler: 20%
- Individuals: 6%
- Auto Dealer: 8%
- Towing Operator: 7%
- Parts Recycler: 3%
- Other Industries: 1%
- Public Agency (Non-Governmental): 1%
- Recovery Agent: 2%
- Salvage Pool: 1%
- Title Company: 1%
- Financial Institution: 1%
- Insurance Company: 1%
40,301 ADD corporate NMVTIS records led to a state query in 2015 YTD

391,311 corporate NMVTIS records have led to a state query since 2009

States available via ADD’s DMV123 Real-Time Inquiry Service

Available for Qualified Companies
Real-World Application: Auto Dealer

A California auto dealer offers a used vehicle for retail sale.
Real-World Application: Auto Dealer

1. The auto dealer purchases vehicles at auction and imports his new inventory into his dealer management system.

2. The dealer’s management software will automatically pull ADD NMVTIS records for each new vehicle purchased.
1. The management system will alert the dealer if there are any records returned with information that will require a red California warning sticker.

2015 YTD:
5% of California NMVTIS records accessed through ADD include either a title brands or JSI report.

These vehicles will require the dealer to apply a red NMVTIS warning sticker.

WARNING
According to a vehicle history report issued by the National Motor Vehicle Title Information System (NMVTIS), this vehicle has been reported as a total-loss vehicle by an insurance company, has been reported into NMVTIS by a junk or salvage reporting entity, or has a title brand which may materially affect the value, safety, and/or condition of the vehicle. Because of its history as a junk, salvage, or title-branded vehicle, the manufacturer’s warranty or service contract on this vehicle may be affected. Ask the dealer to see a copy of the NMVTIS vehicle history report. You may independently obtain the report by checking NMVTIS online at www.vehiclehistory.gov.
**Common dealer questions:**

- I called the reporting entity and they said the Salvage/Loss report was a mistake. How do I correct the record?
- It says “No Record Found” but I know this car has an Oregon title. What do I do?
- The current title doesn’t have a brand, but when I tried to re-title the car, Florida issued a salvage title because it has an insurance loss report. Why did this happen?
Real-World Application: Metals Recycler

An individual brings an end-of-life vehicle to a shredder/metals recycler.
Real-World Application: Metals Recycler

1. The shredder pulls an ADD NMVTIS record and:
   - Verifies that the title presented by the seller is the current title.
   - Checks the national theft status (appended to ADD corporate NMVTIS records)
2. The shredder then clicks the hyperlink for the current state of title within the NMVTIS record to search by VIN for owner and lien holder information.
3. The shredder then verifies the ownership and identification of the seller.
4. After a holding period, the shredder pulls a second NMVTIS record to:
   - Verify that no title changes have occurred
   - Verify that no theft status changes have occurred

5. Clicking the “Report to NMVTIS” button in the NMVTIS record pulls VIN into the JSI reporting page.
6. The shredder uses a company profile to pre-fill the standard information, then completes the outstanding information and submits the report.

Because the shredder pulled a NMVTIS inquiry on this VIN, there is no cost to submit the salvage record to NMVTIS via ADD’s Full Service reporting system.
Common questions from Auto Recyclers:

- Can I report short VINs for pre-1981 vehicles?
- How do I verify that the salvage yard selling me scrap is reporting to NMVTIS?
- I accidently reported the wrong VIN – how do I correct it?
- Should I report trailers?
Real-World Application: Tow Operator

A Texas towing company tows an abandoned vehicle with no license plate.
1. The tow operator pulls a corporate NMVTIS record to:
   - Locate the current state of title
   - Check the national theft status

2. The tow operator then clicks the hyperlink for the current state of title within the NMVTIS record to search by VIN for owner and lien holder information.
3. The tow operator uses ADD’s DirectPost-Office tools to import the real-time TxDMV owner and lienholder data into Texas towing notification letters to be sent via electronic certified mail.
Common questions:

- The tax collector rejected my paperwork because there was a more recent title in Tennessee than the one in NMVTIS showed. Why didn’t the NMVTIS report show the current title?
- The owner came and picked up the car. Do I have to report it?
- I am selling this car to a junk yard. Do I have to report it?
A Pennsylvania car shopper finds a used vehicle for sale online.
1. The buyer visits the dealer’s website, and decides she might be interested in purchasing the vehicle.
2. As an initial check, to verify title status and the info on the dealer website, the buyer runs a VIN search on TitleCheck.us.
3. With no account sign up or subscription required, the buyer purchases a Title Check NMVTIS report for $4.95.

A printable report is displayed on screen, and a copy of the record is provided via the email address supplied.
4. The buyer learns that the vehicle has an Salvage title brand from Pennsylvania and was sold through a national insurance salvage auction.

5. After discovering the undisclosed title brand and determining that she will not be able to obtain a clean title for this vehicle, the buyer decides not to pursue the purchase.
Real-World Application: Used Car Buyer

Process Flow

Consumer

NMVTIS Vehicle History

Clean

Salvage

Continue researching potential purchase

Investigate further or walk away

Common consumer questions:

- What does a “SOLD” report from an auction mean? What does a “SALVAGE” report from an Insurance company mean?
- I know there should be more history on this vehicle. Why doesn’t your report show all the data that Carfax shows?
- This car is not a salvage car. How do I correct the record?
- Does NMVTIS include motorcycles?
Jim Taylor
Steve Watkins,
Director, License and Theft Bureau,
North Carolina Division of Motor Vehicles
The oldest state law enforcement agency in North Carolina, originating in 1921.

The core mission:
- enforce and regulate motor vehicle operations, sales, state inspections and salvage yards
- conduct investigations that prevent frauds, and other abuses upon the citizens of the state of North Carolina.

186 sworn law enforcement agents and 62 civilian support members stationed throughout 100 counties of North Carolina.
## Regulatory Enforcement

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Salvage Yard Audits</strong></td>
<td>Using a printout of entries into NMVTIS by the businesses for a specific period of time, Bureau members verify compliance with state statute requiring businesses to enter a vehicle purchased within 72 hours from the day of purchase.</td>
</tr>
<tr>
<td><strong>Motor Vehicle Dealer Audits</strong></td>
<td>NMVTIS Central File, Junk, Salvage, and Insurance Database, NICB Flood Damage Database</td>
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<tr>
<td><strong>Indemnity Bond Approval</strong></td>
<td>NMVTIS Central File, Junk, Salvage, and Insurance Database, NICB Flood Damage Database</td>
</tr>
<tr>
<td><strong>Instant Title Approval</strong></td>
<td>NMVTIS Central File, Junk, Salvage, and Insurance Database, NICB Flood Damage Database, NICB Known Counterfeit Database, NICB Known Clone Database</td>
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<td><strong>Out of State Title Reviews</strong></td>
<td>NMVTIS Central File, Junk, Salvage, and Insurance Database, NICB Flood Damage Database, NICB Known Counterfeit Database, NICB Known Clone Database</td>
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## Criminal Investigations

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<th>Category</th>
<th>Database References</th>
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<tr>
<td>Title Fraud</td>
<td>NMVTIS Central File, Junk, Salvage, and Insurance Database, NICB Flood Damage Database, NICB Known Counterfeit Database, NICB Known Clone Database</td>
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<tr>
<td>Registration Fraud</td>
<td>NMVTIS Central File, Junk, Salvage, and Insurance Database, NICB Flood Damage Database, NICB Known Counterfeit Database, NICB Known Clone Database</td>
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<tr>
<td>Vehicle Cloning</td>
<td>NMVTIS Central File, NICB Known Counterfeit Database, NICB Known Clone Database</td>
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<tr>
<td>Auto Theft</td>
<td>NMVTIS Central File</td>
</tr>
<tr>
<td>Odometer Fraud</td>
<td>NMVTIS Central File</td>
</tr>
</tbody>
</table>
Odometer Fraud Investigation

Francis Marimo

- 125 rolled back odometers
- $190,845 restitution to victims
- 18 months Federal Prison

According to CarFax, NC Ranks #7 in the Country for Odometer Fraud – 2014 Study
Title Fraud

2005 Infiniti G35

Vehicle Sold 9/26/2013  Vehicle Registered In GA 10/30/2013  Lien Obtained On Vehicle In NC 4/17/2014

Duplicate Title Issued By NC 12/4/2014  Vehicle Registration Cancelled In GA 12/4/2014  Vehicle Owner Reported Fraud 5/7/2015

The Importance of Checking NMVTIS at the Point of Title Issuance!
NMVTIS and the Role of the Auto and Scrap Recycling Industries

Steve Levetan, Executive VP
Pull-A-Part, LLC
• Quick tour of Pull-A-Part
• Discussion of End-of-Life vehicles
  – How Many
  – Sources
  – Disposition
    • Auto Salvage
    • Scrap Recycler
    • Individuals and Exporters
  – NMVTIS
  – State Laws
  – Dialogue
Quick Photo Tour
We're not what you think...
29 Locations*

*and growing!
America’s Premier

Do-it-Yourself Used Auto Parts Retailer

Cleveland, OH
Knoxville, TN
Customer Entry
Customer Exit

Unique Pricing Model

All parts priced by Part, regardless of Vehicle make/model
Please feel free to visit us, anytime
End of Life Vehicles

• Up to 14 million vehicles scrapped in US annually
  • Hundreds of Thousands of cars scrapped in each State (Many still unaccounted for)

• Sources – Two major categories:
  
  Late Model
  
  Older “End-of-Life” or “Junk”
Disposition

- Late Model
  - Insurance Salvage (accident) Vehicles
    - Typically sold through auctions
      (“salvage pools” CoPart / IAA) to:
        - Full Service Auto Recyclers
        - Self Service Auto Recyclers
          - some older cars

Growing Problem – Sales to:
  - Individuals (Just approved in OH)
  - “Exporters”

- End-of-Life (10+ years old)
  - Used Parts Recyclers (full and self service)
  - Scrap Recyclers / crushers
  - Shredders
Auto Parts Recycler (Salvage/Dismantler) – Full Service Sector

• Buys cars primarily from Salvage Pools, but also from other sources

• Stores vehicles for later parts removal
  Inventory may be whole/damaged cars, or

• Dismantles vehicles, removing salable parts
  Inventory consists of parts ready for sale

• Sells to individuals, body shops, garages, internet
  Often networked inventory

• Ultimately, remainder of vehicle is crushed/sold to Shredder for scrap
Auto Parts Recycler (Salvage/Dismantler) – Self Serve Sector (U-Pull-It) / Pull-A-Part®

- Vehicles purchased from a variety of sources
- Vehicles typically older, end-of-life (as opposed to Insurance salvage)
- Vehicles rarely (if ever) resold as vehicles
- Customers are individuals, body shops and garages. Caters to do-it-yourself market
- After parts removed, vehicles typically crushed
- Crushed vehicles sold to shredders, as scrap
Increasingly, individuals are being allowed to purchase salvage at auctions (OH HB 468)

Issues:
Safety concerns
rebuilt or “clipped” vehicles

Environmental Concerns
fluids and other hazardous materials

Sales Tax Collection

Reporting – NMVTIS / Other
LE concerns
VINs
Other?
“Exporters”

Growing Concern

VIN Cloning

Stolen Vehicles

Sales Tax (is the vehicle actually exported, or just sold to a “foreign” buyer?)
• Every End-of-Life vehicle ultimately ends up at a Shredder
  – May or may not go to Parts Recycler first
  – May or may not go to a Scrap Recycler/Crusher first
  – Often crushed or shredded shortly after receipt
    ➢ Why?
  – Since these vehicles are purchased for scrap value only, there is no care taken in unloading/storage
Scrap Recyclers vs. Parts Recyclers

- Parts Recycler purchases for value of parts plus scrap
- Scrap Recycler purchases for scrap value only
- Both may buy “whole cars” and that purchase must be treated the same under the law
- Crushed cars (mechanically flattened) are no longer “motor vehicles”
  - Why are cars “flattened?”

• Watch for “cross-over” between industries
NMVTIS is a National Title Data Base To combat:

- Title Fraud (Title Washing)
- Auto Theft
- Vin Cloning
- Consumer Fraud
- Odometer Fraud
National Motor Vehicle Title Information System – NMVTIS

A “simple” system
State Laws Regarding EOL Vehicles

Theory
Every car should always have a title

Reality
Often not the case with older, end of life cars lost, misplaced, traded/sold multiple times Owner will not go through process to get a title (if they can) to then sell for scrap price

Alternative
Create lawful mechanism for sale of these cars for scrap or parts only, to legitimate parts or scrap recyclers, providing clear paper trail for LE and DMV, or…
State Laws Regarding EOL Vehicles

Other Alternative:
Cars sold illegally – “crusher” or chop shop
(no record to cancel title or assist LE)

Sell out of state (same problem as above)

Leave sitting in yard (nuisance, or worse)

Abandon on public property or private property
(costs taxpayer or private property owner)
State Laws Regarding EOL Vehicles

Solution:
Create legitimate means of sale

Affidavit in lieu of title
NY – many years ago
8 year and older and value less than $1,200
affidavit sent to the State to cancel title

Approach now copied in many states with variations
GA, FL, AL, TN, LA, MS, NC, SC, IA
Some work better than others

Does not lead to increased theft of older vehicles
NC G.S. 20-62.1 (amended in 2013)
   Applicable to cars 10 years old and older
   only for scrap or parts and only by
   secondary metals recycler or salvage yard
   Affidavit (includes info on seller, buyer, and vehicle
   and copy of seller’s drivers license/ID
   Records retained by recycler
   Online stolen check at time of purchase – provides
   info to State
   Falsification of records (by buyer or seller) is crime
   1st offense misdemeanor, then felony
   Enforcement tool – Tow Truck subject to forfeiture
   There Must be Consequences
### NC Results December 2013 – May, 2015

**18 Months**

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<td>169</td>
<td>733</td>
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<tr>
<td>Hits At The Time Of Purchase</td>
<td>13</td>
<td>48%</td>
<td>82</td>
<td>49%</td>
<td>311</td>
<td>42%</td>
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<tr>
<td>Delayed Hits</td>
<td>14</td>
<td>52%</td>
<td>87</td>
<td>51%</td>
<td>422</td>
<td>58%</td>
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<td>Total Recovered Vehicles</td>
<td>18</td>
<td>67%</td>
<td>106</td>
<td>63%</td>
<td>408</td>
<td>56%</td>
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<tr>
<td>L&amp;T Bureau Recovered Vehicles</td>
<td>13</td>
<td>48%</td>
<td>77</td>
<td>46%</td>
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<td>Other Agency Recovered Vehicles</td>
<td>5</td>
<td>19%</td>
<td>28</td>
<td>17%</td>
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<tr>
<td>Vehicles Crushed Prior to Identification</td>
<td>4</td>
<td>15%</td>
<td>30</td>
<td>18%</td>
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<td><em>False Positive Hits</em></td>
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<td>15</td>
<td>9%</td>
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<tr>
<td><strong>Purged Thefts</strong></td>
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<td>0%</td>
<td>1</td>
<td>1%</td>
<td>7</td>
<td>1%</td>
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<td>Under Investigation</td>
<td>3</td>
<td>11%</td>
<td>15</td>
<td>9%</td>
<td>81</td>
<td>11%</td>
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<td>Charges</td>
<td>5</td>
<td>19%</td>
<td>25</td>
<td>15%</td>
<td>139</td>
<td>19%</td>
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</table>

*False Positives are vehicles that have been recovered and removed from NCIC/DCI, but not STARS.

**Purged Thefts are vehicles that have been reported stolen, but have moved off the active list, due to being over five years since the report of theft.

### Vehicles Entered Into The System

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<td>14,637</td>
<td>14,311</td>
<td>5,440</td>
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Total Vehicles Entered Since December 1, 2013: 248,678

### Number Of Businesses Registered

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<td>552</td>
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<td>0</td>
<td>558</td>
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State Laws Regarding EOL Vehicles

**Georgia** 40-3-36, O.C.G.A.
- Amended in 2011 and 2012
- Applicable to cars and trailers 12 years old and older only for scrap or parts and only by secondary metals recycler or Used Motor Vehicle Parts Dealer
- Value $850 or less than $1,700 if a trailer
- Signed Statement includes info on seller, buyer, and vehicle and copy of seller’s drivers license/ID – must include buyer’s NMVTIS ID number
- Title sent to the State within 72 hours
- Falsification of records (by buyer or seller) is felony
Additional Changes in Georgia

- Reporting – in 2011, Georgia became first State in US to require reporting of all NMVTIS data electronically to the State to create database for LE, and then require MVD to report the data to NMVTIS on behalf of Scrap/Parts purchaser (“JSI”),
  - Innovative implementation by State – Contract with Auto Data Direct (ADD)
  - ADD did all system development
  - Scrap/Parts Recyclers electronically report to ADD within 48 hours, **at no cost**
  - ADD sends info to State for title cancellation and to NMVTIS to comply with Federal requirements
Newest Benefit in Georgia

- DOR/GBI will check each car reported daily against Stolen (NCIC)
- Cars will continue to be checked for “late hits”
- Reporting LE agency (ORI) will be notified, in addition to reporting Recycler
- Benefit to every agency as no longer necessary to check individual cars against NMVTIS – fully automated
- Also, ADD will check for duplicate reports for same VIN as “scrapped” (VIN fraud – more on this later)
- ADD providing list of reporting entities to LE
- ADD providing list of VINs reported by Recycler for purpose of audits and online access to data
Atlanta Police Department Took Leadership Role

- In cooperation with Scrap and Auto Recyclers, advocated for the creation of a system to check all of the vehicles reported to the Department of Revenue for stolen.

- Proof of Concept - 265,970 Records collected from July 1, 2012 until April 30, 2014 were checked.

- 730 of the records showed alerts that needed to be checked by law enforcement.
HB 1043 passed in 2015

- Continues ability to buy cars 12 years and older without title
- Consensus bill (State/Industry/LE) – Adds important provisions:
  - Mandates reporting of junk/salvage/scrap vehicles to State
  - Requires State to report information to NMVTIS on behalf of scrap or auto recycler
  - Adds substantial penalties for non-compliance, enforceable by State or local LE (with split of penalties between State and Local agencies)
  - Enables State to do online stolen check (like NC and AL)
  - Allows State to contract with a NMVTIS data consolidator to develop and operate system (like GA)
allows purchase of cars 12 years and older without title
Must be entered into real-time online system to verify not stolen and no liens
System prints statement for seller to sign
State cancels title
Must have NMVTIS ID to use system, but currently State does not report to NMVTIS on behalf of recycler
Caused confusion – State has all necessary information to report
State has indicated that they are willing and able to report
Still in discussion/negotiation with NMVTIS operator
Other States Recent Changes

- South Carolina
- Tennessee
- Alabama
- Kentucky
- Missouri
- Ohio
- Iowa
Next Steps?

States and Recycling Industry should work together to:

- Make NMVTIS reporting a State level requirement
  - Tie to licensing/affidavits
  - Enforceable at State level – It Works!
  - Ease of Use of NMVTIS for LE
    Shorten reporting time (from current 30 days)
- Electronic reporting to State as recently added in GA AL, TN and NC
- More useful/timely information
- Eliminate dual reporting (State/Federal)

Improve Communication –
Ongoing State/Local Task Force w/ Industry
Steve Levetan
SteveL@pullapart.com
www.pullapart.com
Department of Justice NMVTIS
Third Party Reporting Program
Civil Enforcement Program Update

AAMVA, Region 11 Conference
Montgomery, Alabama

June 23, 2015
What is DOJ’s Role?

Within DOJ, the Bureau of Justice Assistance (BJA) is responsible for overseeing both policy and enforcement elements of the program.

BJA coordinates enforcement activities with the Federal Bureau of Investigation, the National Highway Traffic Safety Administration (NHTSA), and state and local law enforcement agencies.

BJA works in partnership with the system operator, the American Association of Motor Vehicle Administrators (AAMVA).
DOJ’s Civil Enforcement Program

GOAL: Voluntary compliance for those businesses required to report

NMVTIS statute authorizes DOJ to impose and collect civil penalties for those junk yards, salvage yards, and insurance carriers that fail to meet their reporting obligations.

- Failure to report to NMVTIS as required, is punishable by a **civil penalty of up to $1,000 per violation**
What are the results of BJA’s efforts?

- Over 200 cases of non-reporting reviewed in 36 states
- Over 1.5 million VINs were reported that otherwise would not have been
- **17** Notice of Civil Penalty Letters Issued:
  - Two companies came into compliance
  - Three companies - final determination - $169,860* in penalties
  - Four companies - out of business
  - Eight insurance carrier cases currently under legal review

**Note:**
In November 2014, DOJ received the first civil penalty payment resulting from its enforcement program. These funds were forwarded to the US Treasury.
Resources at DOJ:

- Comprehensive information, FAQs, policy guidance, etc. available at: www.vehiclehistory.gov

- Point of Contact:
  Todd Brighton, Senior Policy Advisor
todd.brighton@usdoj.gov
Questions?

Any Questions?