National DMV Fraud Trends

- Fighting the Fraud that’s Fighting the DMV’s
Use of stolen blank title stock
Identity & Vehicle fraud trends
Synthetic identity fraud
Title fraud and use of and disposal of fraudulently obtained vehicles
Small trailer title/registration fraud
Fraud fighting resources
Theft of Michigan State Titles

• In 2011, the Michigan Department of State reported they were missing 12,000 blank titles from a Secretary of State Branch Office. Began showing up at DMV offices
• In 2016, several of these blank titles were presented at DMV’s in Ohio and Iowa for vehicle title transactions. Investigations took place; stolen and cloned vehicles were found
• March 2017; additional Michigan State titles appear again in the Midwest
• Other states have fallen victim to losing blank titles
Identity Fraud Trends

• Use of genuine ID by another; Puerto Rican BC’s
• Use of high quality counterfeits: doc mills both in U.S. and foreign countries
• Internal fraud: Bribery for issuing licenses when not authorized. Criminals know the identity needs to be in the DMV system
• Facial recognition success stories
• Other identity crimes: related to hurricanes and other natural disasters
Vehicle Fraud

- Odometer Fraud is as prevalent today as it was in the 1970’s! Technology - lack of public awareness with internet sales. AAMVA Internet Sales WG

- Disability placard/plate fraud. Costs communities millions of dollars - holds disabled citizens hostage. Disability Placard/Plate Fraud WG

- Wholesale dealer fraud: not going away, only moving around the country

Synthetic Identity Fraud:
The combining of genuine personal identity information from various sources to create a new identity that includes a personal identification number appearing to be a social security number, often times referred to as a credit privacy number (CPN)
• Invalid SSN’s, IRS Individual Taxpayer ID #’s (ITINs) and Credit Profile/Privacy # (CPN - Illinois)

• Mimic SSN or same number of characters

• CPN’s: credit repair companies may sell them – may be true SSN’s of children. Positive credit rating

• ITIN’s for those who need to report earnings but don’t qualify for SSN

• Lenders may allow credit based on these numbers

• Criminal element takes advantage
Will secure auto loans, must have check stubs, DL, and CPN that has 2 lines of credit on your file. I can get you into a brand new car.

Compliments of Investigator Adam Broshous, Illinois Secretary of State
Committing Title Fraud

Purchase vehicle: obtain title and lien with false identity. Fail to make payments

NORMALLY NOT REPORTED AS THEFTS, SO REPO COMPANY IS THE ONLY ONE LOOKING FOR THE VEHICLE AND THE SPECIFIC PLATES ON IT.

REQUEST A DIFFERENT PLATE FROM DMV, CHANGE ADDRESS AS WELL: BUY MORE TIME.

Illinois STOLEN 1

illusions STOLEN 2
Committing Title Fraud

Time to sell?

- List it for sale on internet
- Normally for a highly discounted price, often half of the market value
- Create a fraudulent title for the vehicle: forget the lien
- Now there are two of victims
• Manufactured smaller trailers are the target: under 6,000lbs.

• Customer with stolen trailer applies to DMV for a title to a specially constructed (homebuilt) trailer

• Provides fictitious bill of sale for parts, removes manufacturer’s VIN

• If inspected, may miss the fact it’s a manufactured trailer, authorize title issuance

• Obtain title, trailer becomes subject to repeated theft
Vehicle Fraud Trends

What’s driving the increase in vehicle fraud?

- Reduction or elimination of auto theft investigative units
- Internet: ease of use to market stolen vehicles
- What about paper titles that include typed lien notations
- Stolen vehicles using foreign VIN’s and conforming non-issued VIN’s
- Vehicle import and export fraud
- Rental vehicle theft
Fraud Fighting Resources

- Use the #1 Fraud Fighting Tool in the Nation, FDR

- AAMVA Document Updates & Fraud Alerts SharePoint site.
  Keeps you current on document updates and fraud trends
  - Contact Denise Hanchulak for access
    [dhanchulak@aamva.org](mailto:dhanchulak@aamva.org)

- Join the AAMVA monthly fraud awareness call
  - Contact Paul Steier for invite [psteier@aamva.org](mailto:psteier@aamva.org)

- Use the AAMVA DMV fraud contact list found at
  [www.aamva.org/CommunityDirectory](http://www.aamva.org/CommunityDirectory)
  - We must work together to stop fraud

- Join us for webinars on DMV fraud and investigations
  [http://www.aamva.org/Webinars/](http://www.aamva.org/Webinars/)
For More Information

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