

National Motor Vehicle Title Information System (NMVTIS) ADVISORY BOARD MEETING – Webcast

March 26, 2014

The NMVTIS Advisory Board convened via webcast on March 26, 2014. This meeting was a make up session scheduled to address agenda topics from the October 8, 2013 meeting that was cancelled due to the Federal government shutdown. The following individuals participated:

Designated Federal Official (DFO)

Todd Brighton
Bureau of Justice Assistance

Judith Fitzgerald
National Insurance Crime Bureau

Advisory Board Members

Levon Baghdassarian
NOBEL Systems

Brian Hildreth
Insurance Auto Auctions

Mark Binder
Farmers Insurance

Tony Lawler
Mississippi Department of Revenue

William Brauch, **Board Vice Chair**
Iowa Attorney General Office

Kurt Myers
*Pennsylvania Department of
Transportation Safety Administration*

Bernard Brown
The Brown Law Firm

Howard Nusbaum
*National Salvage Vehicle Reporting
Program*

Kathryn Brown
*Automobile Finance Association of the
International Association of Financial
Crimes Investigators*

Joe Pedigo
*Towing and Recovery Association of
America*

John Brueggeman
Motor Vehicle Software Corporation

Shaun Petersen
*National Independent Automotive
Dealers Association*

Jennifer Cohan
Delaware Division of Motor Vehicles

Neil Schuster
*American Association of Motor Vehicle
Administrators*

Joseph Farrow, **Board Chair**
California Highway Patrol

James Spiller
National Vehicle Service

Jim Taylor
Auto Data Direct, Inc.

James Vogel
RigDig

Michael Wilson
Automotive Recyclers Association

Public Attendees (including panelists)

Betsy Beckwith
Automotive Recyclers Association

Delanne Bernier
Automotive Recyclers Association

Gregory DePasquale
Copart

Katerina Dotzeva
Insurance Auto Auctions, Inc.

Scott Finchler
NOBEL Systems, Inc.

Samantha Fitzgerald
CARFAX, Inc.

Peter Foley
American Insurance Association

Lorraine Friel
NOBEL Systems, Inc.

Faisal Hanan
CARFAX, Inc.

Trish Heon
National Auto Auction Association

R.D. Hopper
Automotive Recyclers Association

James Irish
MobileTrac, InstaVIN

Paul Kanitra
CARFAX, Inc.

Matt Kent
lobbyit

Steve Levetan
Pull-A-Part, LLC

Ken Mehall
Computerized Vehicle Registration

James Moors
National Automobile Dealers Association

Bob Passmore
Property Casualty Insurers Association of America

Dennis Rivell
NOBEL Systems, Inc.

Jonathan Rusch
U.S. Department of Justice

Scott Sawyer
Carmax Auto Superstores

Adam Siner
instaVIN

Jean Taylor
Title Technologies

Danielle Waterfield
Institute of Scrap Recycling Industries

Dana Wiehle
Florida Attorney General Office

David Wu
VINAudit

Bureau of Justice Assistance (BJA)

Kim Bright
Todd Brighton
David Lewis

American Association of Motor Vehicle Administrators (AAMVA)

Vivienne Cameron
Catherine Curtis
Casey Garber
Philippe Guiot
Mekala Joy
Tom Manuel
Francois Marjorie
Marney Michalowski
Philip Quinlan
Marc Saitta

Notetaker

Mike Diegel
Primo Partners

Note: All presentations made at this meeting are available upon request. Please contact Todd Brighton, DFO

Opening Remarks

Mr. Brighton called the meeting to order at 1:05 p.m., welcomed participants and reviewed the agenda. Mr. Brauch also welcomed attendees, thanking them for their patience in light of previously cancelled meetings and thanked BJA and AAMVA staff for their work.

Education and Awareness

State-Level Legislative Update

Jim Taylor, President, Auto Data Direct, Inc., Steve Levetan, Senior VP Pull-A-Part, LLC and Vivienne Cameron, Senior Director, AAMVA

Mr. Taylor and Mr. Levetan provided a review of important NMVTIS-related legislation beginning with Alabama and California in 2011. While Alabama was the first state to pass such legislation, requiring dismantlers to collect NMVTIS data during the dismantling process and provide a NMVTIS identification number, California's passage of AB 1215 had a bigger impact in terms of influencing other state legislatures.

Georgia in 2012 passed legislation to require secondary metals recyclers, used motor vehicle parts dealers, and scrap metal processors to report certain title cancellation information to the Georgia Department of Revenue. Georgia also was the first state to allow consolidated reporting to comply with state and federal requirements, which passed in 2012 and the implementation has been very successful. A law enforcement piece just approved requires an automatic check against reports of stolen vehicles and vice versa. While federal law requires data to be reported to NMVTIS within 30 days, many states are accelerating the process of data collection, requiring reporting within 72 hours or less. In addition, many states now require businesses that handle salvage vehicles to provide an NMVTIS ID in order to obtain or renew state licensure, to purchase salvage vehicles or cancel titles, which did not require new legislation.

In 2013, 17 NMVTIS-related bills were introduced in 10 states, while seven states had already passed NMVTIS-related bills, including Florida, Minnesota, Mississippi, North Carolina, Tennessee, Utah and Virginia. These bills were reviewed in some detail. Of note was Mississippi, which was the first state to pass legislation providing for a civil penalty of up to \$1,000 per violation for failure to report as required.

One highlight is North Carolina's law requiring that within 72 hours of each day's close of business, a secondary metals recycler or salvage yard purchasing a motor vehicle must report the disposition of the vehicle to NMVTIS. The state also requires the purchaser to check the vehicles VIN number against a real-time registry of stolen vehicles. This change has resulted in 171 vehicles identified as stolen since the system was implemented in December, 2013. Georgia will be implementing a similar system.

In 2014, six NMVTIS-related bills were introduced or carried over in California, Idaho, Ohio, Oklahoma, Tennessee and Virginia, and NMVTIS-related bills were passed in Idaho and Virginia. Members are active in states including Kentucky, Tennessee and Ohio looking toward action next year, and North Carolina possibly will move to consolidate reporting.

Hurricane Sandy Update

William Brauch, Vice Chair, NMVTIS Advisory Board

Approximately 600,000 vehicles were damaged by Superstorm Sandy, and about 250,000 of those were covered by insurance. Many others were older or part of self-insured fleets and not part of this data collection. An unknown number of these vehicles received clean titles and are starting to show up in the market, where owners are discovering problems with the vehicles.

State reporting will allow NMVTIS to play an important role helping to locate these vehicles and whether they should have branded titles. State Attorneys General are active in helping to identify vehicles that should not be on the road. In addition, DOJ is ready to help consumers seek remedies and restitution if other agencies are unable to do so.

"Lookout," an ABC program, featured this issue last summer with a truck that had been damaged and insured. The insurer sold the vehicle for parts to a dealer who was able to obtain a clean title and later sold the truck to ABC.

Disaster Fraud Task Force

Jonathan Rusch, Executive Director, Disaster Fraud Task Force and Deputy Chief for Strategy and Policy, Fraud Section, Criminal Division, U.S. Department of Justice

Mr. Rusch provided a comprehensive presentation on the types of disaster fraud DOJ typically sees, including fraudulent charities, benefit fraud (e.g., claiming FEMA or SBA assistance for which the recipient is not eligible) identity theft, public corruption, procurement and contract fraud, and others.

The types most relevant to board members are damage-vehicle fraud and insurance fraud. These crimes typically show up within one to two months following a disaster and can continue to appear as much as two years later. Damaged-vehicle fraud most frequently includes vehicle theft and resale as well as the resale of damaged vehicles without proper titles.

Insurance fraud schemes can include multiple claims for preexisting damage, claims for damage not caused by disaster (or faked damage) and phony insurance adjuster/direct billing to victims for poor or incomplete repair work, including on vehicles.

Similar to previous disasters, including hurricanes Katrina and Rita, the Deepwater Horizon spill and others, DOJ is expecting a number of long-term, ongoing cases from Superstorm Sandy and has centralized activities in the National Center for Disaster Fraud to help cope with this problem.

Originating as Hurricane Katrina Fraud Task Force Command Center, the organization includes a call center for phone, email, fax, or mailed complaints about all types of disaster-related fraud, as well as doing the screening for criminal referral of complaints to federal and state law enforcement.

Advisory Board Member Presentations

Each of the members was asked to address three questions:

- How have your stakeholders benefitted from NMVTIS? Please provide a specific example (success story) to demonstrate the benefit to date.
- What are two opportunities that should be considered to enhance the value of NMVTIS?
- Identify your top priority for NMVTIS. Please explain why it is your highest priority for the system and how it can be achieved.

Most of the members shared examples of how their stakeholders benefitted from the NMVTIS system. Agencies and companies are uncovering cloned registrations and stolen vehicles, there is greater consumer awareness of the usefulness of NMVTIS and they are calling insurers to inquire about a vehicles background, especially if they're having problems, attempts at fraudulent transactions have been found, more law enforcement agencies are aware of the NMVTIS database, and so forth.

Several themes emerged as members discussed opportunities and some of them were also carried over into top priorities. Chief among these was getting to 100 percent compliance by states and expanding the data collected, such as for trucks that are more than 10,000 pounds. Other members see opportunities to expand the stakeholders participating in NMVTIS reporting, including self-insurers, tow truck operators, financing companies (who, it was noted, are not yet benefitting as much as they could) and other outreach to specific audiences, especially the junk and salvage industry.

Other opportunities include improving the NMVTIS website to make it more comprehensive and user-friendly, creating a mobile app for investigators and law enforcement to use remotely in real time, and additional education and training.

Many members included increasing stakeholder and public awareness about NMVTIS, such as what it is and what are the benefits of participation. Several members suggested creating a public awareness program, including joint marketing efforts; this was a top priority for some members.

Also included among the top priorities was more and better data (along with data mining to help identify bad actors), greater participation by states (getting them into compliance) and law enforcement, and enforcement of existing laws (as well as those passed in the future). Finally, one issue raised by some members was funding: finding a steady, dedicated revenue stream to support all these activities.

(A summary of member's written responses is attached).

NMVTIS Status Updates

Bureau of Justice Assistance Update

Todd Brighton, NMVTIS Enforcement Coordinator, Bureau of Justice Assistance and David Lewis, Senior Policy Advisor, Bureau of Justice Assistance

Mr. Lewis reviewed data showing there were 2,373 total users of the NMVTIS law enforcement search tool as of Dec. 31, 2013; nearly 600 new users came online during 2013. Also that year, there were more than 263,000 site hits and 23,669 NMVTIS VIN hits.

Users come from all 50 states and more than 1,500 agencies. Future improvements will allow DOJ identify specific federal, state and local agencies using the tool. The department is adding a number of new data sources and is looking at how to expand connections to other secure law enforcement sites.

Specific examples of enforcement use of the tool include cases identified by BJA and they are working with New York State auto investigation related to Sandy damages. DOJ is working on improvements to the site that will notify users what information is available and help reduce false positives. Other specific search improvements will include the ability to enter up to five VINs from basic screen, do a title search, a partial VIN and title search, as well as bulk VIN search.

Users will be able to access some information without doing a search, such as DMV and state law enforcement contact information, as well as find a how-to section and tutorials, "hot tips" and new trends in the field.

Mr. Lewis also reviewed a number of suggestions that had come from the AAMVA Law Enforcement Working Group, showing the ones that have been are being addressed, as well as those items being studied for future improvements. Those items include expanded law enforcement access, expanded search capabilities, user defined searches and the ability to save favorite searches, notification services such as an advisory someone searches on your VIN, the ability to request specific data sets and making data accessible in the field via handheld devices.

NMVTIS System Operator Update

Strategic Update, Philip Quinlan, Vice President, AAMVA

Operational and Reengineering Updates, Vivienne Cameron, Senior Director, AAMVA

In the interests of time, Mr. Brighton noted the presentations had been distributed and board members were requested to contact Mr. Brighton or Ms. Cameron with any questions following the meeting.

Public Observer Comments

Facilitator: Mr. Brauch

Mr. Hopper from the Automotive Recyclers Association noted their work assisting on titling issues and added that data integrity is a high priority for this organization. The group would like to work with others to establish a system by which law enforcement and others could see where a vehicle is at any one time, such as on the road, at a recycler or finally crushed for scrap.

Mr. Passmore from the Property Casualty Insurers Association of America said the top priority for the association was getting all states into full compliance with NMVTIS requirements and expressed a willingness to help in that effort as well as any public awareness campaigns that may be undertaken.

Closing Remarks

Mr. Brighton and Mr. Brauch thanked the participants for their participation during the meeting, which then adjourned at approximately 3:20 p.m.

National Motor Vehicle Title Information System

Advisory Board Strategic Questions

Response Summary

March 26, 2014

Member Organization	Question 1: How have your stakeholders benefitted from NMVTIS? Please provide specific examples (success stories) to demonstrate the benefit to date	Question 2: What are two opportunities that should be considered to enhance the value of NMVTIS?	Question 3: Identify your top priority for NMVTIS. Please explain why it is your highest priority for the system and how it can be achieved.
Insurers – Mark Binder	<p>Insurance consumers are more informed of the vehicles that they purchase and have the ability to ask questions if a total loss branding shows on a title history.</p> <p>Success stories - consumers routinely call insurers and ask why a vehicle is branded, facts of the loss etc.</p> <p>Carriers typically can't go into specific details on these requests but can discuss at high level. The good news is the word is getting out there in multiple areas.</p>	<p>Ensure non-insurer total losses are compliant with the reporting and obtain 100% reporting from all states as required by statute. This is an opportunity that would be a great influx of data for the program</p>	<p>Some how dedicating resources by press releases, air time on news shows or by the consolidators to advertise the NMVTIS brand and purpose. I routinely ask people if they know about vehiclehistory.gov and to be frank, no one does. This is a short coming and needs to change and be an effective tool for consumers. To achieve this would be using internal resources of the AAMVA to send scheduled press releases, set up appts for morning shows, partner with industry participants to fund etc.</p>
Independent Auto Dealers - Shaun Petersen	<p>A dealer located in one state had a longstanding business relationship with an auto salvage dealer in another state. Over the years, the dealer purchased numerous vehicles from the salvage dealership without any issues in obtaining title. However, after some time, 26 vehicles were acquired for which the salvage dealer could not produce title because the salvage dealer was under investigation from government authorities. The authorities had ceased the titles due to their belief that the salvage dealership was engaged in been washing</p>	<p>A. Exploration of a uniform, nationwide electronic titling program that would utilize NMVTIS as a foundational core component. This would expedite the delivery of titles, ensure title accuracy, and remove inconsistencies in systems across state lines that impede the delivery of titles to end purchasers.</p> <p>B. Marketing efforts that are targeting towards consumers, alerting them of the existence of NMVTIS, and explaining its value to them as an end user.</p>	<p>Our top priority for NMVTIS continues to be full participation by each state. Currently, the Federal Trade Commission is considering changes to the Used Car Rule, including comments from certain interested parties suggesting dealers be required to provide a vehicle history report. Some commenters suggest that a federal requirement, similar to that which exists in California via AB 1215, be imposed upon dealers to provide NMVTIS reports upon purchasing consumers. Without all states fully participating in NMVTIS, such a requirement is an on-starter because the data is incomplete.</p>

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Petersen-con'd	<p>titles or otherwise engaged in title fraud.</p> <p>The purchasing dealer secured NMVTIS reports for each of the disputed vehicles. The reports provided the entire title history of the vehicles. None of the NMVTIS reports showed any discrepancy that would indicate title washing, title skipping or fraud. The NMVTIS reports were provided to the government authorities, along with an annotation explaining how each vehicle had a clean title history, allowing the title to be delivered to the purchasing dealer.</p>		
Insurance Auto Auctions - Brian Hildreth	<p>It is enabling Insurance companies to investigate and reduce fraudulent claims. We field calls daily from carriers, which lead to the identification of fraud. Also law enforcement has benefited and IAA has been able to assist them in investigations, which resulted in arrest.</p>	<p>Revise and standardize the Total Loss/Salvage/Scrap language on consumer facing reports. See attached review. This causes significant confusion in the market place, which in turn we as a company have to explain and resolve. This is a detriment. Many end users do not understand this language.</p>	<p>There needs to be more education to the States and Consumers as to what NMVTIS is and isn't. For example an overview & FAQ could be presented each time someone receives a report. NMVTIS compliance reporting is already cost at 100k annually. Our company fields and resolve issues (e.g. AAMVA assistance w/DMV misuse of data) each week, which consume valuable resources adding cost to our company.</p>
Auto Data Direct – Jim Taylor	<p>Passage of NMVTIS inquiry legislation in Florida. Florida towing and repair facilities now request ownership information for non-Florida vehicles through NMVTIS as part of their good-faith notification process, reducing the number of inquiries that must be handled by law enforcement agencies. Additionally, towing companies and repair facilities are able to locate the current state of title through</p>	<p>Vehicle Safety Recall Data. The National Highway Transportation Safety Administration (NHTSA) requires automakers and motorcycle manufacturers to provide consumers with an online tool to search vehicle safety recalls by Vehicle Identification Number (VIN). This seems to offer an opportunity to enhance the NMVTIS consumer reports. The ability to identify uncompleted safety recalls on a vehicle being considered for purchase would mirror NMVTIS's purpose of protecting consumers</p>	<p>50-State Participation. While selling an incomplete product is difficult for vendors, more serious issues arise when incomplete data is relied upon by buyers, and is integrated into industry-based state laws and procedures. These issues pose a significant risk both to consumers and to the reputation and credibility of NMVTIS. Program sustainability depends on all states providing data, as soon as possible. All available resources, monetary and programmatic, should to be directed toward</p>

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Taylor-con'd	<p>NMVTIS in minutes, rather than the days or weeks as under the previous good faith search, which also results in more timely notifications for owners and lienholders.</p> <p>Georgia Salvage Reporting Requirements. Georgia selected ADD to acts as the single-source consolidator for both the state salvage data and the NMVTIS data. Recyclers currently report Georgia-required data elements as well as NMVTIS-required data elements in a single upload. ADD collects and provides the necessary data to each respective system. Georgia law enforcement is able to request specific pieces of information, such as VINs that had been reported as scrapped or crushed by numerous salvage entities in different locations. ADD identified more than 100 VINs that had been reported as destroyed multiple times, and law enforcement was able to use the Georgia and NMVTIS information reported by the salvage entities to identify a VIN cloning ring. The arrested individuals were allegedly stealing VIN plates from self-service salvage yards, placing the VINs on stolen cars, and then taking the stolen cars to a shredder to be sold for scrap.</p>	<p>against unsafe vehicles as well as enhance the value of the report.</p> <p>Vehicle Title Status. As more states move to electronic titling and incorporate NMVTIS inquiry processes into state procedures, the inclusion of title status (electronic or paper) would be a valuable piece of information for commercial consumers (dealers, insurers, lienholders) of NMVTIS records.</p>	<p>bringing the balance of the states online. If DOJ publicly requested compliance or an explanation of non-compliance from state officials, states that are not yet online might be encouraged to evaluate or prioritize their resources to speed development.</p>
RigDig --- James Vogel	See attachment		

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ISRI- Robin Weiner	See Attachment		
Joe Farrow – CHP (Chair NAB)	<p>The NMVTIS prevents registration from being renewed on multiple vehicles with identical title information. In 2011, the information provided by NMVTIS proved to be a valuable investigative tool that contributed to the recovery of a stolen Porsche Panamera. (These vehicles are typically valued between \$75,000 and \$130,000.) The California Highway Patrol (CHP) was contacted by a Department of Motor Vehicles (DMV) investigator who related they were contacted by an individual who was concerned that they had not received their registration renewal. The DMV investigated the issue and found that the title of the vehicle in question had been surrendered to the State of Pennsylvania, therefore no renewal notice was issued. The DMV referred the individual to the CHP for a Vehicle Identification Number (VIN) verification, and with the use of NMVTIS it was determined that the cloned vehicle registration in Pennsylvania was accomplished by using the title information from the California registered vehicle. The cloned vehicle in Pennsylvania was one of three vehicles that had been stolen from a local Porsche dealership.</p>	<p>The effectiveness of NMVTIS can be enhanced by providing the ability for investigators to flag a VIN and receive subsequent notifications on the flagged VIN. This would eliminate the requirement for investigators to check VINs through the California Law Enforcement Telecommunications System through all 50 states, on a daily basis to check for any activity. Additionally, should multiple inquiries be made on a single title, investigators could use the flagged information for follow up purposes.</p> <p>An additional tool for investigators would be the advent of a smartphone application to remotely access NMVTIS information. Many investigators use modern technology such as cellular phones, laptop computers or tablets in the course of their assigned duties. The real-time access to NMVTIS would allow the investigators to conduct a thorough investigation, while on scene, without having to access NMVTIS information through a vetting website such as the Western States Information Network or Law Enforcement Online.</p>	<p>The top priority for NMVTIS should be to ensure that the title information and Law Enforcement Tool sites are readily accessible in a user friendly and efficient manner. As the information and data sharing capabilities of NMVTIS continue to evolve, it will be critical for end-users to receive on-going training to ensure maximum usage and functionality. Interagency communication and information sharing undoubtedly will assist all investigators in pursuing title related matters while identifying national trends and occurrences</p>

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Judy Fitzgerald (NICB)	NICB's stakeholders are the property/casualty insurance industry. They do not have direct access to query NMVTIS. While the legislation intended the system to be used primarily by the state DMVs, consumers, and law enforcement, if the opportunity ever arises for insurer access, we should consider that option.	More emphasis on marketing the successes of NMVTIS. Keep pressure on all industries to report correctly and promptly...this can be addressed at the state legislative level.	All state DMVs submit and query the system in real time.
James (Jim) Spiller National Vehicle Service (NSV)	Lien Holders have benefitted indirectly by NVS Partnering with NMVTIS Service Providers on data exchange of Lien data related to NMVTIS queries. Successes have been documented by BMW and Ford Finance.	NVS and its Members believe that Lien Data should be made a part of the total NMVTIS package. Export Data should be included in the State Title Verification Process, so the exported vehicle identities can not be used over and over.	Further that NMVTIS queries should be shared with the IRE (Canada) and REPUBE (Mexico) and visa versa, so that cross border vehicle cloning can be eliminated.
Bernard Brown Consumers	The most important benefit NMVTIS has begun to provide to consumers is the <i>prevention</i> of fraud: the deterrence of fraudulent marketing and resale of vehicles with concealed total loss histories, which is accomplished when those damage histories are readily and widely available. There isn't any question that NMVTIS has provided a huge breakthrough by making a great deal of salvage car data from insurers and salvage sellers since 2009 readily publicly available, since that information has generally not been publicly available in the past. As someone with 30 years of experience in dealing with industry fraudulent resale practices, I can say with strong confidence that to the extent that NMVTIS has made this information available, it has been of important value	First, linking NMVTIS in some way with manufacturers' recall databases, so that all outstanding recalls could immediately be found via NMVTIS. In that way, NMVTIS can become more and more the go-to database for checking on a vehicle's safety. Second, much more direct and complete information on the NMVTIS website, conspicuously linked right on the homepage, about the inadequacies of all existing car history databases - including NMVTIS. Yes, for consumers that would <i>enhance</i> the value of NMVTIS. After all, speaking truth is something people really need, and really want. And NMVTIS already has great value that the other databases don't have (not to mention how inexpensive it is to access), so NMVTIS actually should fare very well when the truth is spoken.	There is no question from the consumer point of view that the highest priority for NMVTIS is broad and effective enforcement of the NMVTIS reporting requirements against all insurance companies, salvage operators and others that are not fully complying with those requirements. This is up to the Department of Justice. The Hurricane Sandy event has shown, to our great dismay, that there have been widespread and flagrant violations of the reporting requirements. Unless and until those requirements are effectively enforced, so that we are confident that almost all vehicles that should be reported are being reported, we can't conscientiously mount a campaign to get consumers to use NMVTIS as a primary tool in their pre-purchase investigations. Even if we did, there would be every chance of eventual

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Brown con'd	<p>to consumers, and to honest car industry members. And in this realm NMVTIS has yet much greater unrealized potential: if the substantial holes in reporting are plugged so that almost all vehicles that should be reported are reported, and if the public is then educated about the existence and value of NMVTIS, this <i>prevention</i> of fraudulent marketing and resale of these vehicles could become almost complete.</p> <p>To a lesser extent NMVTIS has begun providing consumers with remarkably inexpensive access to a lot of other car history data from the substantial majority of States. This is "to a lesser extent" because even the existence of NMVTIS is not yet widely known to consumers, and because the State history data is still a ways from covering all States. Again, NMVTIS has yet much greater unrealized potential in this realm.</p> <p>The individual success stories are already undoubtedly many, but we will never hear them, because the Smith families and Jones families who would have bought vehicles with undisclosed wreck and flood histories instead never bought them. That is how NMVTIS <i>should</i> work. But if one were to look at the NMVTIS database, every late-model salvage vehicle that appears there is another success story of a vehicle that will very likely now <i>not</i> be fraudulently sold to unwitting consumers. And in California, for example, with AB 1215</p>		<p>backlash from consumers who had been victimized by their reliance on a hole-ridden NMVTIS.</p> <p>It needs to be mentioned that the completion of NMVTIS reporting by <i>all</i> 50 States is hugely important to the development of NMVTIS. It would be hard to overstate the long-term value to consumers, honest industry members and law enforcement if that is accomplished. But, in terms of a priority, law enforcement against non-reporting by industry members is yet more important.</p>

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Brown con'd	<p>now in place for a year, I would suggest that if a good investigation were done of data from available sources, one would find that the sale of previously totalled vehicles has dropped sharply.</p>		
TRAA- Joe Pedigo	See Attachment		



Truck History Reports

NMVTIS Advisory Board Meeting

October 8, 2013

Stakeholders

RigDig® Truck History Reports are focused on a small, but very important, niche segment, which is Heavy Duty Commercial Motor Vehicles (i.e. Big Rigs). Our goal is to provide businesses and individuals involved in the purchase and sale of used trucks with another tool to help them make more informed used truck purchase decisions. To accomplish this, RigDig® Truck History Reports incorporate data from multiple sources that are unique to the Commercial Motor Vehicle industry, in addition to NMVTIS.

In a minute, I'll talk about NMVTIS limited scope as it relates to the Heavy Duty Trucks; specifically around the regulations not requiring information to be reported on vehicles of 10,000 GVWR or more, which can have a potential negative impact on buyers of used trucks.



The stakeholders are fleets, owner operators, contractors, dealers, auction companies, finance companies, and the public. Let's take a look at the typical stakeholders.

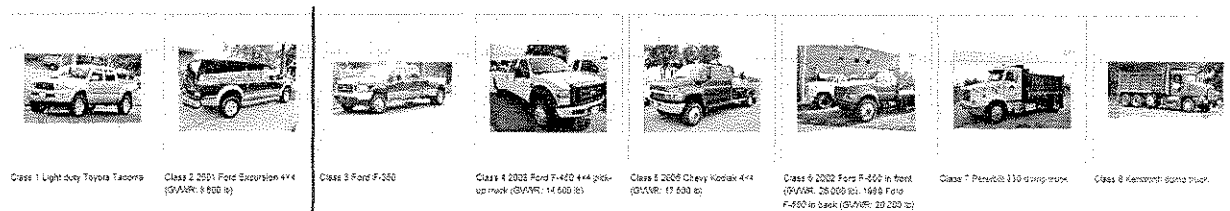
- **Large Fleets**
 - Example: Schneider, Swift, Werner, Coca-Cola, Wal-Mart
 - Purchase Behavior: Typically purchase new trucks. Often trade in after 3 ½ to 5 years or at 450,000 to 600,000 miles.
- **Medium Fleets** - Mix of new and used
- **Owner Operators and Small Fleets**
 - Example: Joe Trucker who's truck is his livelihood. This is how he puts food on the table.
 - Purchase Behavior: Typical buyers of used trucks.
 - Average price paid for a sleeper cab in July 2013 was \$53k (NADA)
 - Average price paid for a construction truck in July 2013 was around \$70k (NADA)

The Success

We understand that the roots of NMVTIS are from the Anti-Car Theft Act of 1992.

The Anti Car Theft Act of 1992 was enacted to deter trafficking in stolen vehicles by strengthening law enforcement against auto theft (Title I), combating automobile title fraud (Title II), preventing "chop shop" related thefts (Title III), and inspecting exports for stolen vehicles (Title IV). Title II of the Act required the U.S. Department of Transportation (DOT) to implement a National Motor Vehicle Title Information System (NMVTIS). The Act specifies that the information within NMVTIS shall be available to jurisdictions; federal, state and local law enforcement officials; insurance carriers; and other prospective purchasers (e.g., individuals, auction companies, and used car dealers). The Anti Car Theft Improvements Act of 1996 was signed into law on July 2, 1996. It amends the Anti Car Theft Act of 1992 to give the Department of Justice the responsibility for the information system.

As such, the final regulations stayed true to the "Car" specification by only requiring auto recyclers, junk yards, salvage yards, and insurance carriers to report vehicles of 10,000 GVWR or less to NMVTIS.



Source: http://en.wikipedia.org/wiki/Truck_classification

Although the law doesn't require information to be reported on vehicles of 10,000 GVWR or greater, the good news for the stakeholders in the commercial motor vehicle industry is that many auto recyclers, junk yards, salvage yards and insurance carriers have chosen to voluntarily report this information to NMVTIS. On behalf of the owner-operators in the trucking industry, whose lively hood depends on quality and safe trucks, we commend these organizations for their willingness to share such critical information to NMVTIS.

We know some organizations are voluntarily reporting, because the statistics tell us they are reporting. Between Apr'13 and Sep'13, the RigDig® Truck History Reports run by users, for Class 3 through Class 8 trucks (which are not covered in JSI), returned information regarding Junk/Salvage/Recyclers, Total Loss, or Title Brands 3.4% of the time.

1. NMVTIS record for Junk/Salvage/Recyclers – 1.0%
2. NMVTIS record for Total Loss Insurance Claim— 0.4%
3. NMVTIS record for Title Brand – 2.6%
4. Accident with Fatality, Injury or Tow-Away – 18.3%
5. Inspection Violations – 88.7%

Here are some recent quotes from stakeholders outlining how this has helped them.

- "RigDig helped me avoid buying a questionable truck. I ran a RigDig Truck History Report which showed that the odometer had been tampered with. RigDig runs fast, too – It's great."John T (Small Fleet Owner)

- *"I wouldn't buy a truck without getting a report. Would you buy a \$100,000 house without checking it out? RigDig Reports are a great thing."Tony M. (Owner Operator)*
- *"With all the flooding, storms, and rollovers, our first step in purchasing a truck is to check a RigDig report. It will tell you whether the truck has been put out of service and for what reason, whether it has been in a serious accident, and whether or not it has a title brand on it. Knowing its history lets us make an informed decision on whether or not to pursue purchasing a truck. The \$35 report can save much more in potential future problems. It is well worth the investment."RCJC (Small Fleet)*

Two Opportunities to Enhance Value of NMVTIS

1. Take appropriate steps to ensure 100% DMV Compliance with NMVTIS
2. Buyers of those big, heavy vehicles that are sharing the highways and roads with cars and light trucks, should have access to the same critical junk, salvage and total loss insurance claims as vehicles less than 10,000 GVWR. Some people may say it's probably even more important to make sure that junked, salvage and total loss trucks don't find their way back onto the road than it is to make sure a small car is off the road. Also, because many of the same insurance companies, junk yards, salvage yards, and auto recyclers are already reporting the 10,000 GVWR or less, we are asking the board to make the following recommendation.

"Although not specifically required by the Anti-Car Theft Act, the Department of Justice strongly encourages insurance carriers, junk yards, salvage yards, and auto recyclers to provide information on other motor vehicles, including commercial motor vehicles with 10,000 GVWR or greater. The reporting of this information by insurance carrier, junk yards, salvage yards, and auto recyclers will help reduce instances in which thieves use the VINs of junk or salvage motor vehicles on stolen motor vehicles and will assist in preventing and eliminating fraud."

Top Priority for NMVTIS

Take appropriate steps to ensure 100% DMV Compliance with NMVTIS. The reason this is the top priority is because the consumer could be missing critical information that could help them make a more informed purchase decision. The how can it be achieved question is much more difficult to answer. We know the AAMVA and DOJ teams have put a strong emphasis on this, and know better than I do as a consumer access provider, how to manage the political landscape to achieve the end-goal in the quickest way possible. However, to our stakeholders, this continues to be the top priority.

Response to BJA Questions to NAB Members on NMVTIS

1. How have your stakeholders benefitted from NMVTIS? Please provide one specific example (success story) to demonstrate the benefit to date.

NMVTIS is an example of how uniform reporting requirements to a single database enhance compliance and better assist law enforcement efforts. ISRI members see value and benefit from collaboration with law enforcement and the role NMVTIS plays in helping apprehend criminals. One specific example of how ISRI members benefit from NMVTIS is highlighted by ISRI Member company Alter Trading:

"NMVTIS offers a single point solution to reporting for all of our facilities. It standardizes requirements across state, local, and community borders and reduces the venue shopping to avoid proper title transfers. It is the only comprehensive title location."
Jay Robinovitz, President & COO, Alter Trading, LLC.

2. What are two opportunities that should be considered to enhance the value of NMVTIS?

- a) Using the power of a federally-back national database to enhance law enforcement efforts. Leveraging NMVTIS as the national tool used by law enforcement to control auto theft and title fraud has tremendous power. Currently, data bases are maintained at many levels with multiple reporting requirements thereby increasing the possibility of error and fraud. A single, safe, government-maintained and operated data base offers quality service without having to put sensitive information on private servers. NMVTIS could be that single, safe database if local and state jurisdictions can be educated more and convinced of the system's potential.
- b) Enhancing system compliance by eliminating duplicate reporting requirements by enabling state DMVs to collect and transfer VIN data from the JSI industry directly into NMVTIS. The NMVTIS database is only as good as the reliability and comprehensive nature of the data in it. Compliance with NMVTIS would be greatly enhanced if reporting was streamlined to reduce redundant data entry and errors. Permitting state DMVs to transfer JSI data directly into NMVTIS as the regulations permit and require when JSI reports the stipulated data to state DMVs would enhance the value of NMVTIS greatly.

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3. Identify your top priority for NMVTIS. Please explain why it is your highest priority for the system and how it can be achieved.

The top priority for NMVTIS should be improving the level and ease of access to and reliability of the data in NMVTIS. The system needs to be more readily accessible to law enforcement and interlinked with other frequently used systems on the state level. For example, ISRI is encouraged by the efforts of the North Carolina DMV to connect the NC scrap/parts vehicle program with the NMVTIS system, and strongly encourages AMMVA to work with the states to make this solution happen in NC, as well as other states.

Furthermore, NMVTIS needs to implement more practical automated verification mechanisms for all stakeholders, including JSI, to ensure that the NMVTIS system data accurately reflects the number of identity of vehicles being processed through the system each year. Currently, enforcement at the local level is practically non-existent and the only method for JSI to electronically verify suppliers are properly reporting is to manually and repeatedly check each and every supplier in the system. Scrap processors deal with thousands of suppliers in any given year and tens of thousands of transactions, making a manual data entry electronic verification system not only impracticable but essentially impossible. NMVTIS must implement an automated function or API available to JSI that would electronically send a NMVTIS ID number into the system and immediately identify the last reporting date of record for that particular ID. This would greatly simplify compliance and give a logging capability to prove compliance back to law enforcement.

The Voice of America's Towing Industry

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May 2, 2014

Todd Brighton
Enforcement Coordinator
NMVTIS Program
Bureau of Justice Assistance
US Department of Justice

Dear Mr. Brighton,

The Towing & Recovery Association of America (TRAA) is proud to be the national representative for the towing industry. It is our pleasure to participate on the NMVTIS Advisory Board. The cooperation between all agencies will result in the enhancement of the entire program.

The towing industries role in NMVTIS is unique as we are primarily the middle man between the vehicle owner and the final disposition of the vehicle. The reporting requirements benefit is to eliminate and/or minimize the illegal use of vehicle and vehicle parts.

Towing companies are currently required to report all "scrapped" vehicles when they are disposed of to a salvage facility. Unfortunately the towing company has no way of knowing if the vehicle will be repaired and resold or "crushed". This loop hole can lead to difficulty for an individual in the instance that a reported vehicle is repaired and sold. It is TRAA's opinion that the final reporting should fall on the end user.

The NMVTIS Program should look at all potential discrepancies and work to fine tune the program to eliminate duplicate efforts and loop holes that may or can result in problems in the future.

The goal of NMVTIS is very important to the automotive and towing industry. TRAA is committed to doing its part to achieve the NMVTIS objectives while keeping in mind the towing industry impact on the report requirement.

Sincerely,

Joe Pedigo
President