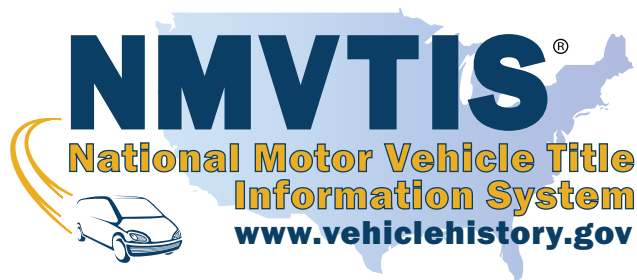


National Motor Vehicle Title Information System
2018 Annual Report

For Period: October 1, 2017 through September 30, 2018





This material is based upon work pursuant to a Cooperative Agreement between the U.S. Department of Justice/Office of Justice Programs and the American Association of Motor Vehicle Administrators. Any opinions, findings, conclusions or recommendations expressed in this publication are those of the authors and do not necessarily reflect the view of the U.S. Department of Justice.

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The National Motor Vehicle Title Information System (NMVTIS) Final Rule (28 CFR part 25, published January 30, 2009, 74 FR 5740) requires the system operator, the American Association of Motor Vehicle Administrators (AAMVA), to prepare and publish an annual report and procure an independent financial audit. This NMVTIS 2018 Annual Report is the tenth publication, covering **October 1, 2017, through September 30, 2018** (“reporting period”). This reporting period was agreed upon between the system operator and the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance (BJA); it corresponds with the federal fiscal year and AAMVA’s audit cycle.

Published in August 2019, this report details the performance of NMVTIS during the 12-month reporting period. Future annual reports will also cover 12-month periods—October 1 to September 30—and be published the following August. Each annual report is intended to stand alone, giving an overview of activity from the system’s inception, as well as a detailed look at operations and accomplishments in the specific fiscal year.

For the current status of the system, please visit DOJ’s website at www.vehiclehistory.gov.

INTERACTIVITY OF THIS REPORT When reading this report online, click on the [orange hyperlinks](#) to go to the referenced websites and pages in the report.

On behalf of the Board of Directors of the American Association of Motor Vehicle Administrators (AAMVA), I am pleased to present the tenth annual report for the National Motor Vehicle Title Information System (NMVTIS). I share this report with the system's stakeholders, marking NMVTIS' ongoing success in achieving the goals outlined in the 1992 Anti Car Theft Act. This report highlights the system's performance and accomplishments, revenue and expenses, as required by federal law. AAMVA is committed to being a strong and effective system operator, under the cooperative agreement with the Department of Justice, Bureau of Justice Assistance.

During the year, NMVTIS added new services to further fulfill its purpose: protecting states and consumers (individual and commercial) from fraud; providing consumers with protection from unsafe vehicles; and reducing the use of stolen vehicles for illicit purposes including funding of criminal enterprises. Three states (Kansas, North Carolina, and Oregon) and the District of Columbia, not yet fully participating in NMVTIS, received funding to support system development to become fully participating. One of the states (North Carolina) successfully completed implementation during the report period, while the other two and the District of Columbia project completion during the next reporting period.

States increased their overall use of the junk, salvage and insurance (total loss) information, leading some auto salvage auctions and used auto dealers to challenge some states' interpretation of the data. In response, AAMVA opened a dialogue with industry stakeholders to build greater understanding of the different perspectives. The year ended with a lawsuit filed against a state for its use of junk, salvage and insurance information in retitling decisions.

This year saw a major accomplishment benefiting the law enforcement, compliance and enforcement program as expanded access to the NMVTIS Law Enforcement Access Tool provided non-sworn Department of Motor Vehicle investigators with an additional data resource. In addition, there was a reduction in consumer access transaction volumes.

In preparation for the end of the final year under the current cooperative agreement, the AAMVA Board of Directors established a number of key directives to guide the proposed revision of the agreement. See [Exhibit 1](#).

NMVTIS continues to serve as a trusted source of state title data, vehicle brand history, and junk, salvage, and insurance total loss information for stakeholders. Many individuals and organizations generously provided information and guidance as we prepared this annual report. I truly appreciate all their valuable contributions, and I know you will find the report informative.

Anne Ferro, President & CEO



“AAMVA is committed to being a strong and effective system operator, under the cooperative agreement with the Department of Justice, Bureau of Justice Assistance.

EXECUTIVE SUMMARY

This reporting period of October 1, 2017 through September 30, 2018 showed continued progress in all four NMVTIS program areas:

- State Program
- Junk Yard, Salvage Yard, and Insurance Carrier Reporting Program
- Consumer Access Program
- Law Enforcement Access Program

Stakeholder reliance on NMVTIS data continues to increase, along with the value derived from the system as demonstrated by the benefits reported by states and law enforcement contained in this report. Stakeholders again reported improved data quality resulting from increased compliance and awareness efforts, and more strict state reporting requirements for junk, salvage, and insurance entities. AAMVA and the Bureau of Justice Assistance worked in parallel to enhance functionality and access to the system in all program areas.

Achievements during this reporting period include:

- Forty-five jurisdictions participated in NMVTIS in some capacity, with others in development.
- U.S. motor vehicle title data represented in the system remained at nearly 100%.
- AAMVA launched technology for individuals to report junk and salvage vehicle data to NMVTIS.
- Law Enforcement Access Tool provided capability for nearly 2 million Vehicle Identification Number inquiries in support of special investigations.
- AAMVA continued to support enhanced system connectivity options for states.
- States continued efforts to increase consumer awareness of the value of purchasing a vehicle history report before buying a used vehicle.
- Nearly \$1 million in funding was awarded to states to become fully participating.
- One new company completed development to provide vehicle information to consumers and/or commercial entities.
- Law Enforcement Access Tool federated search was expanded to include the FBI NCIC Auto Theft File.
- Two pieces of NMVTIS-related legislation were introduced, adopted, and put into effect in two states, and three pieces of legislation were introduced in two states.
- AAMVA continued to deliver multiple NMVTIS-related webinars, training more than 200 state employees representing 32 states.
- Law enforcement inquiries have increased more than 1000% since 2009.
- Bureau of Justice Assistance continued its efforts to increase awareness and compliance.
- States and law enforcement continued to report numerous benefits from participation in NMVTIS, including improved quality of vehicle title records, which in turn enhances consumer protection, customer service, and investigative efforts by law enforcement.
- Law Enforcement Access Tool access was expanded to include use by non-sworn DMV investigators.
- States earned more than \$1.9 million in revenue credits from the sale of NMVTIS data to consumer access providers.
- Views on California's "Look Before You Buy" webpage continued to grow significantly; views increased by 454% since 2015.
- AAMVA provided emergency funds to Texas to expedite processing of hurricane-damaged vehicles.

STATE PROGRAM

- Forty-five jurisdictions participated in NMVTIS in some capacity, with others in development ([see Glossary](#)).
- Nearly \$1 million in funding was awarded to support states' efforts to participate fully.
- A companion video to the state brochure was developed and released.
- NMVTIS Business Rules Working Group (BRWG) identified elements for a pilot of the Performance Management Concept (PMC) to be rolled out in 2019.
- BRWG, NMVTIS Monthly Forum, and State Business Points of Contact convened to discuss ways to enhance NMVTIS functionality.
- BRWG and the NMVTIS Law Enforcement Working Group (LEWG) met for the third consecutive year.

JUNK, SALVAGE, AND INSURANCE CARRIER REPORTING PROGRAM

- Bureau of Justice Assistance (BJA) reissued a reminder notice to junk, salvage, and insurance (JSI) reporting entities in response to Hurricane Florence, which occurred during the reporting period.
- AAMVA implemented capability for individuals to report junk and salvage vehicles.
- Tennessee records reported increased 12%, growing from 137,763 to 154,999.
- Georgia records reported increased 19%, growing from 103,448 to 123,589.
- National Insurance Crime Bureau (NICB) worked with AAMVA to investigate stolen vehicles reported to NMVTIS as "crush."
- States continued to introduce and adopt NMVTIS-related legislation.

CONSUMER ACCESS PROGRAM

- Transaction volume in 2018 leveled out compared to 2017's increase of 172%, but still showed a 63% increase over 2016.
- States continued to provide resources to heighten consumer awareness of vehicle history reports and used car buying guidelines.
- Work was completed on a public awareness video for NMVTIS Vehicle History Reports; rollout will occur in the next reporting period.
- One company completed development and subsequently offered vehicle history reports to consumers and dealers.
- One application was approved and one was under review for new data providers, with execution of contracts and development to occur in the next reporting period.
- Views on California's "Look Before You Buy" webpage increased 28% over the last reporting period.

LAW ENFORCEMENT ACCESS PROGRAM

- Nearly 2 million VIN inquiries were conducted through 173 bulk searches related to special investigations.
- AAMVA and BJA continued to discuss additional features for DOJ's Law Enforcement Access Tool (LEAT).
- Law Enforcement Guide was updated and renamed as Law Enforcement & Vehicle Title Investigator Guide.
- LEAT expanded users to include non-sworn Department of Motor Vehicles (DMV) investigators.
- LEAT federated search was expanded to include the FBI NCIC Auto Theft File.

Key NMVTIS Stakeholders

DEPARTMENT OF JUSTICE

Within the Department of Justice (DOJ), BJA is responsible for reviewing significant operational decisions and ensuring NMVTIS program requirements are met. In addition, BJA is responsible for overseeing both policy and enforcement elements of the NMVTIS program. BJA coordinates enforcement activities with the Federal Bureau of Investigation (FBI), the National Highway Traffic Safety Administration (NHTSA), and state and local law enforcement agencies. BJA works in partnership with the system operator, AAMVA.

NMVTIS ADVISORY BOARD

In June 2010, the first NMVTIS Advisory Board (NAB) was convened to provide input and recommendations to BJA regarding operation and administration of NMVTIS. The NAB represented key stakeholders affected by the program, including states, consumers, insurance carriers, auto recyclers, junk and salvage yards, and law enforcement agencies. The NAB legislative charter expired in September 2016. During the reporting period, AAMVA and DOJ continued work on a number of final recommendations from the last board.

AMERICAN ASSOCIATION OF MOTOR VEHICLE ADMINISTRATORS

The Anti Car Theft Act authorizes the designation of a third-party operator of NMVTIS. Since 1992, the American Association of Motor Vehicle Administrators (AAMVA) has acted in this capacity. AAMVA is a nonprofit, tax exempt, educational association representing U.S. and Canadian officials responsible for the administration and enforcement of motor vehicle laws. In addition to acting as the NMVTIS operator, AAMVA supports the Single Vehicle Identification Number (VIN) Reporting Service, one of four JSI data consolidator services.

DATA CONSOLIDATORS

AAMVA partners with the private sector to provide multiple reporting methods to meet the business needs of JSI reporting entities. Currently, four reporting methods or services are available, and offer single-VIN and batch reporting options:

- AAMVA Single VIN Reporting Service
- Audatex
- Auto Data Direct, Inc. (ADD)
- ISO ClaimSearch Solutions (ISO)

KEY NMVTIS STAKEHOLDERS *(Continued)*

STATES

State titling agencies perform title verifications and report data to NMVTIS.

- Each state is required to perform an instant title verification check before issuing a certificate of title for a vehicle that an individual or entity brings into the state.
- States are required to make selected titling information they maintain available for use in NMVTIS. States shall provide information on new titles and any updated title information to NMVTIS at least once every 24 hours.
- States are required to pay user fees.

CONSUMERS

NMVTIS information is available to consumers (individual and commercial) in a NMVTIS Vehicle History Report. This report provides data on five key indicators associated with preventing auto fraud and theft. Before purchasing a used vehicle, consumers can search NMVTIS to find the following information:

- Current state of title and last title date
- Brand history ([see Glossary](#))
- Odometer reading ([see Glossary](#))
- Total loss history
- Salvage history

APPROVED NMVTIS DATA PROVIDERS

Approved NMVTIS Data Providers are companies that agree to provide NMVTIS Vehicle History Reports to the public consistent with federal legal requirements. This agreement is established through an application process and formal contracts with the system operator. All Approved NMVTIS Data Providers are listed on the [NMVTIS website](#).

LAW ENFORCEMENT

Law enforcement agencies rely on NMVTIS data to improve and enhance their ability to investigate vehicle crimes and combat other criminal activities. Therefore, it is imperative that NMVTIS captures vehicle history information throughout the life cycle of the vehicle. The NMVTIS Law Enforcement Access Tool (LEAT) provides law enforcement personnel with vehicle information intended to assist investigations of a variety of crimes including vehicle title and brand fraud, vehicle finance fraud, vehicle theft, crimes against persons, smuggling operations (e.g., narcotics, weapons, human trafficking, and currency), and other criminal activity.

JUNK YARDS, SALVAGE YARDS, AND INSURANCE CARRIERS

All entities meeting the NMVTIS definition for junk yard and salvage yard that handle five or more junk or salvage vehicles per year are required to report to the system on a monthly basis. By reporting the required information on junk and salvage automobiles to NMVTIS, JSI reporting entities play an integral role in DOJ's efforts to prevent fraud, reduce theft, and save the lives of consumers who might otherwise unknowingly purchase unsafe vehicles.



Legislation

**Vehicle
Information**

Overview

Benefits

Overview

BACKGROUND

Established by Congress to Provide Access to Vehicle Title Information; Offers a Range of Benefits for Consumers, States, Law Enforcement and Vehicle Agencies

NMVTIS was established by Congress under Title II of the Anti Car Theft Act of 1992 (Public Law No. 102-519). It was created to address the growing issues associated with auto theft and vehicle fraud—specifically, to:

- Prevent the introduction or reintroduction of stolen motor vehicles into interstate commerce.
- Protect states, consumers (both individual and commercial), and other entities from vehicle fraud.
- Reduce the use of stolen vehicles for illicit purposes, including funding of criminal enterprises.
- Protect consumers from unsafe vehicles.

The intent of NMVTIS was to establish an information system to enable motor vehicle titling agencies, law enforcement, prospective and current purchasers (both individual and commercial), insurance carriers, and junk and salvage yard operators access to vehicle titling information.

Specifically, in accordance with 49 U.S.C. 30502, NMVTIS must provide a means of determining whether a title is valid, where a vehicle bearing a known vehicle identification number is currently titled, what was a vehicle's reported mileage at the time the title was issued, whether a vehicle is titled as a junk or salvage vehicle in another state, and whether a vehicle has been reported as a junk or salvage vehicle under 49 U.S.C. 30504.

The types of vehicles reported to NMVTIS by states include automobiles, buses, trucks, motorcycles, motor homes (e.g., recreational vehicles or RVs) and truck tractors. In general, NMVTIS contains title information for vehicles that meet at least one of the following criteria:

- The vehicle fulfills the definition of a junk or salvage automobile according to the regulations.

NMVTIS VEHICLES

AUTOMOBILES



BUSES



TRUCKS



MOTORCYCLES



MOTOR HOMES



TRUCK TRACTORS



- The vehicle has an active registration and an active title.
- The vehicle has an active title.
- The vehicle has an active registration and the registration is the proof of ownership.

Vehicles excluded from NMVTIS include trailers, mobile homes (i.e., prefabricated homes, typically permanent), special machinery, vessels, mopeds, semi-trailers, golf carts, and boats.

AAMVA has worked closely with DOJ over the years on the overall strategic direction of NMVTIS. From FY1996 through FY2011, BJA awarded federal grants totaling \$31,455,623 to help AAMVA create and operate the system, and support state development and implementation (see [Figure 1](#)). The last expenditure of federal grant funds occurred in FY2013. Since that time NMVTIS has been supported by program revenues and contributions from AAMVA member funds.

A number of validation studies citing benefits of NMVTIS and/or potential cost savings to stakeholders have been conducted since the program's inception. Links to these are provided in the [Appendix](#). Furthermore, numerous vehicle, auto industry, and law enforcement organizations have continued to offer widespread support to NMVTIS. These include AAMVA and the National Automobile Dealers Association (NADA), the International Association of Chiefs of Police (IACP), the National Sheriffs' Association (NSA), the National Odometer and Title Fraud Enforcement Association (NOTFEA), the North American Export Committee (NAEC), and the International Association of Auto Theft Investigators (IAATI). National consumer advocacy organizations and independent organizations focused on reducing vehicle-related crimes, including the National Salvage Vehicle Reporting Program (NSVRP), have also recognized the benefits of NMVTIS.

NMVTIS FEDERAL GRANTS	
FISCAL YEAR (FY)	AMOUNT
FY1996 (DOT)	\$ 890,000
FY1997	\$ 1,000,000
FY1998	\$ 2,800,000
FY1999/2000	\$ 6,100,000
FY2003	\$ 3,000,000
FY2004	\$ 494,739
FY2007	\$ 499,204
FY2008	\$ 271,680
FY2009	\$ 5,700,000
FY2010	\$ 5,700,000
FY2011	\$ 5,000,000
TOTAL	\$31,455,623

Figure 1

SYSTEM OPERATOR AND RESPONSIBILITIES

AAMVA Continues as an Effective System Operator The Anti Car Theft Act of 1992 gave the U.S. Department of Transportation (DOT) authorization to designate a third-party operator of NMVTIS. Pursuant to the NMVTIS Final Rule, the operator must provide services to state motor vehicle title agencies; junk, salvage, and insurance entities; law enforcement; and support consumer access to the system. Since 1992, AAMVA has successfully acted in this capacity.

FUNDING

Funds Expended Totaled \$7,324,464; State Fees Contributed \$4,884,865

During this reporting period, program revenue came primarily from consumer access and state user fees. (See the [Financial Reports](#) section.)

Under federal law, the system is intended to be financially self-sustaining, operating without federal funding. The system earned \$7,111,035 in revenue during this period. This revenue was used to cover \$7,324,464 in expenses. New revenue opportunities continue to be explored and evaluated to support enduring financial sustainability.

GOVERNANCE

NMVTIS Advisory Board (NAB) Fulfilled Its Mission BJA is responsible for oversight of NMVTIS consistent with regulatory and statutory requirements. The NMVTIS Advisory Board was established in accordance with the provisions of the Federal Advisory Committee Act, as amended, 5 U.S.C., App. 2, and was tasked with making recommendations to BJA regarding program operation and administration issues: for example, establishing NMVTIS performance measures; accessing additional data within the system beyond that required by the Anti Car Theft Act; assessing program costs and revenues; and evaluating quality assurance. Pursuant to the NMVTIS Final Rule, BJA convened the inaugural board in June 2010 for its first two-year term. The meeting provided an opportunity for NMVTIS stakeholders to share information, discuss the interconnectedness of the system, and consider ways to enhance NMVTIS to make it both more effective and financially self-sustaining.

From 2010 to 2016, the NAB convened both in person and online with board members, who served two-year terms and represented key program stakeholders including states, consumers, law enforcement agencies, insurance carriers, auto recyclers, junk and salvage yards, auto industry groups, technology partners, organizations focused on reducing vehicle-related crime, and the operator. The NAB fulfilled its mission and its legislative charter expired in September 2016.



Critical Data

**Program
Areas**

Compliance

Integrity

State Program

Additional States Fully Integrate NMVTIS into Titling Systems; Vehicle Data Near 100% The Anti Car Theft Act and its regulations require each state to perform an instant title verification check before issuing a Certificate of Title for a vehicle that an individual or other entity brings into the state. Additionally, each state is required to report data into the system and pay user fees. All states were required to be fully compliant with the Act by January 1, 2010. For further details on approaches for title verification and reporting of data, please see the [Exhibits](#) section of this report.

The inaugural annual report on the system was published for FY2009. It showed 14 states Participating, 14 states Providing Data Only, 11 states In Development, and 12 jurisdictions Not Participating. Since that time, participation has steadily increased ([see Figure 2](#)). Beginning in FY2012, all 51 jurisdictions have either maintained participation or continued to move towards full participation. During this reporting period, 41 jurisdictions were Participating, four Providing Data Only, and six were In Development ([see Figure 3](#)).

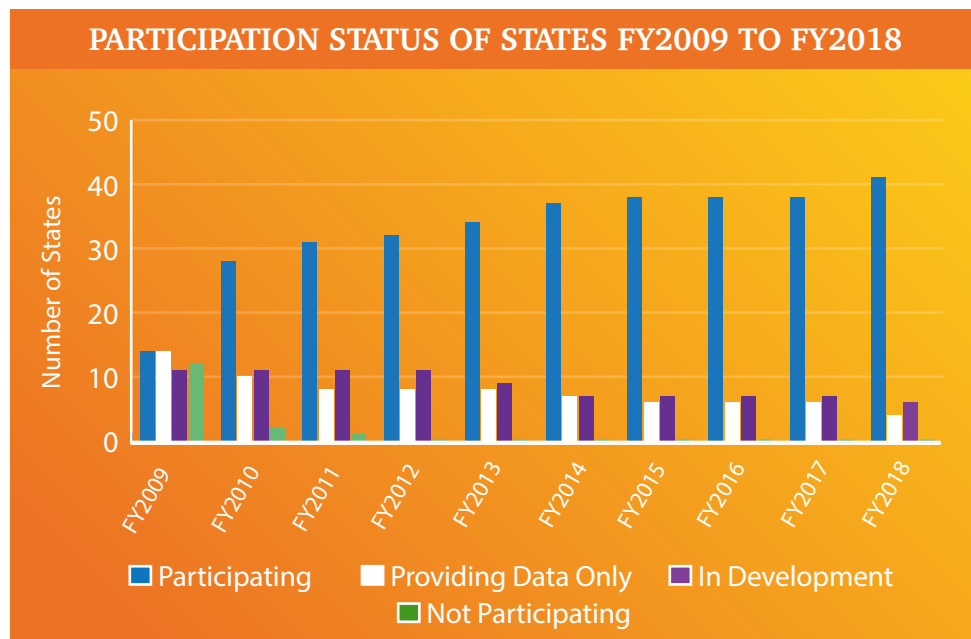


Figure 2

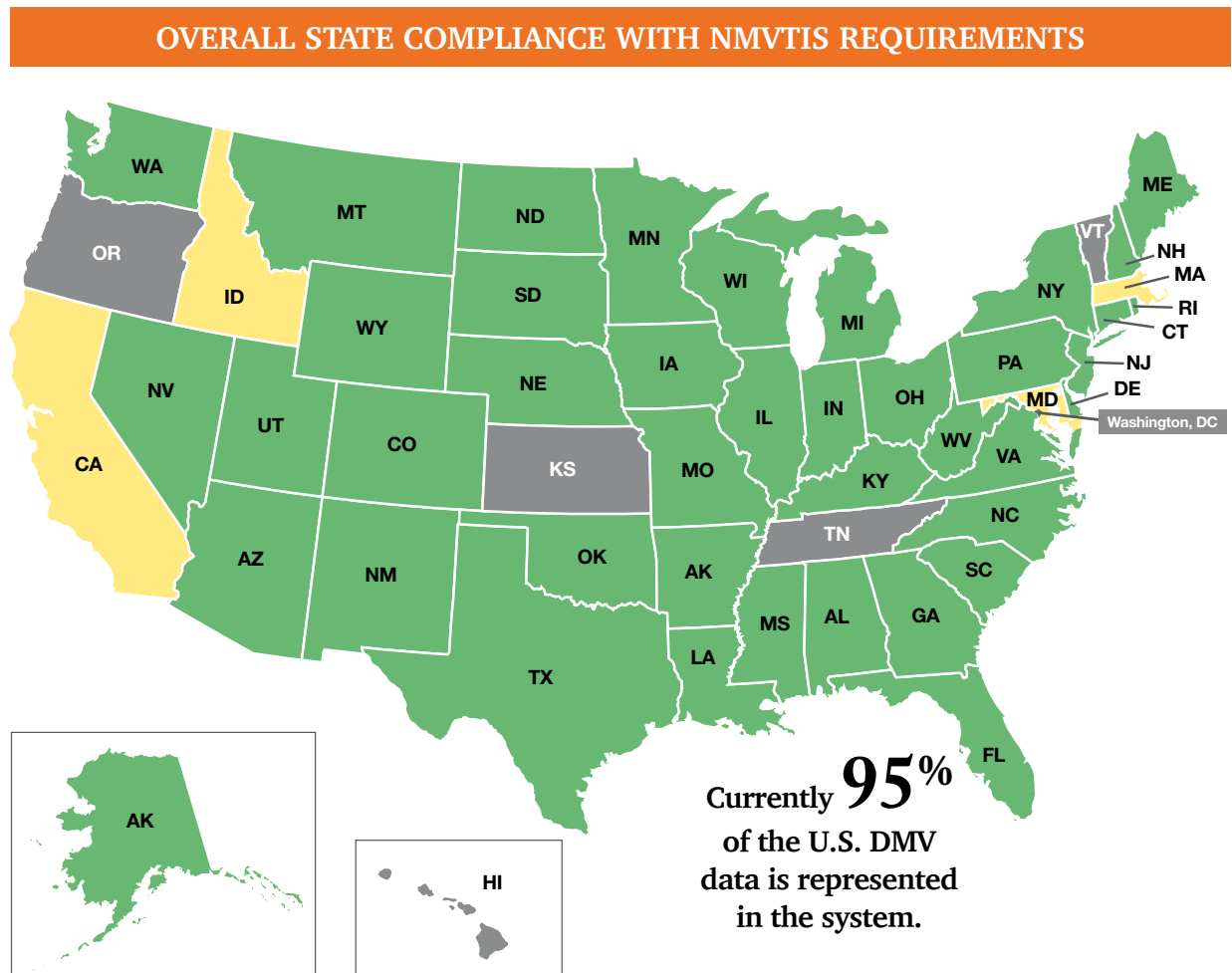


Figure 3

The percentage of nationwide vehicle data represented in NMVTIS is based on figures provided by jurisdictions to the Federal Highway Administration (FHWA). Starting in FY2006, the first year the state compliance map was created, 52% of state title and brand data was represented in the system. Beginning in FY2014, data reached 95% and remained at that level through FY2016. During the previous reporting period, an adjustment was made to 94% since Tennessee had not provided data in more than 10 years. DOJ made the determination to re-categorize Tennessee from a state Providing Data Only to a state In Development. During this report period, Mississippi moved from In Development to Participating, bringing the vehicle data represented in NMVTIS back to 95% (see Figure 4). It is significant to note that during this reporting period, Tennessee reengaged to discuss plans to participate by the end of 2019.

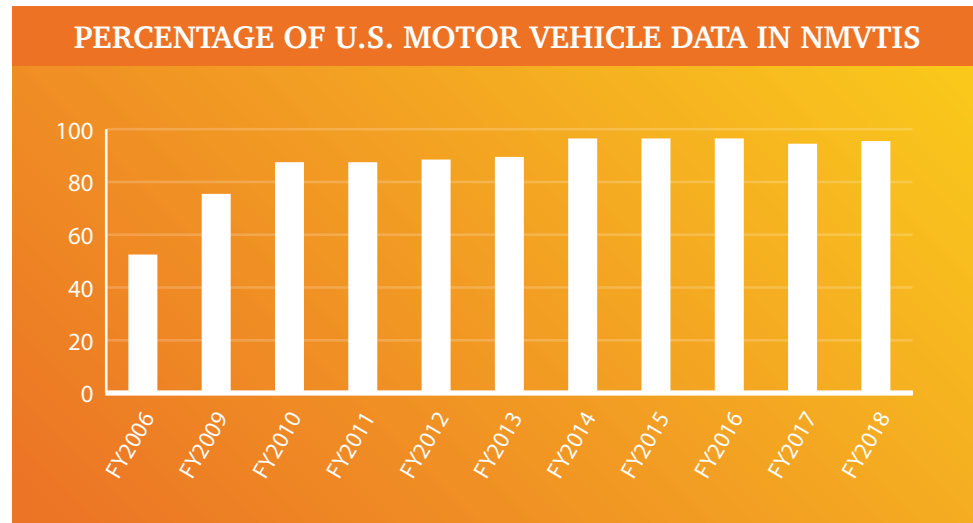


Figure 4

AAMVA continued to support states reengineering their NMVTIS application interface as part of the modernization of their titling systems. Though not all jurisdictions are currently Participating, some are in the planning stages or In Development moving toward full participation (California, District of Columbia, Idaho, Kansas, Massachusetts, and Oregon).

When a vehicle is retitled, NMVTIS is updated to show the current state of title and the previous record is moved into history. With 45 states providing data to NMVTIS, there was an increase during this reporting period of more than 19 million current title records and more than 66 million title history records. In total, there are more than 550 million current title records and more than 730 million title history records in the system ([see Figures 5 and 6](#)).

“Idaho looks forward to the efficiencies of automatic inquiries prior to each title or registration transaction, automatic cancellation of title records surrendered to other participating states, immediate detection of brands, and identification of stolen and cloned vehicles when it becomes a fully integrated online state in early summer, 2020.”

BARRY TAKEUCHI
Titles Program Specialist, DMV Policy and Program Management, Idaho Transportation Department



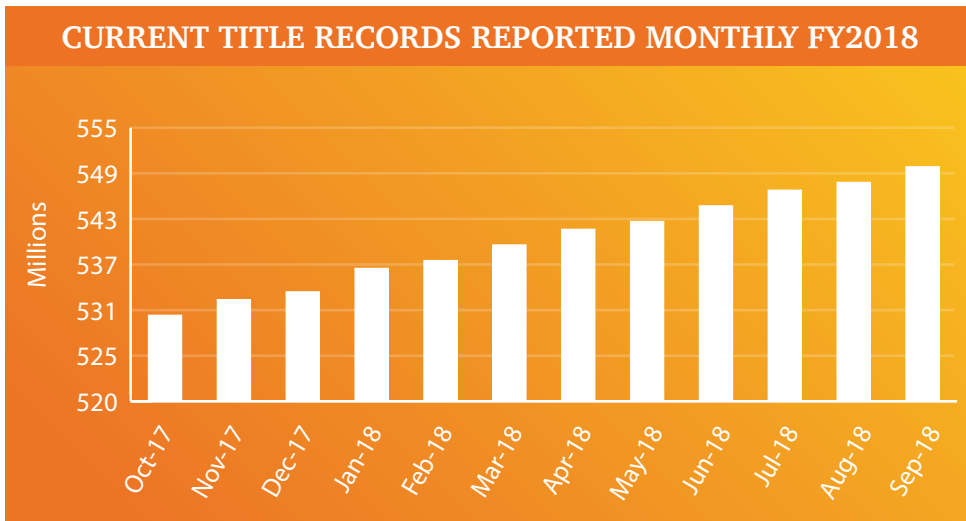


Figure 5

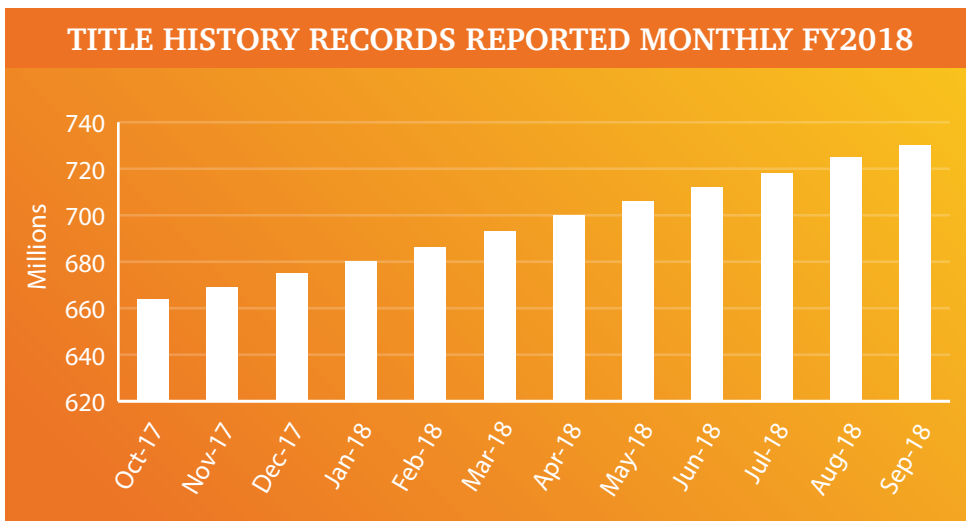


Figure 6

Over the past 10 years, current title records in the system increased nearly 88% (see [Figure 7](#)). In FY2009, current title records numbered 293 million; they reached more than 550 million during this reporting period.

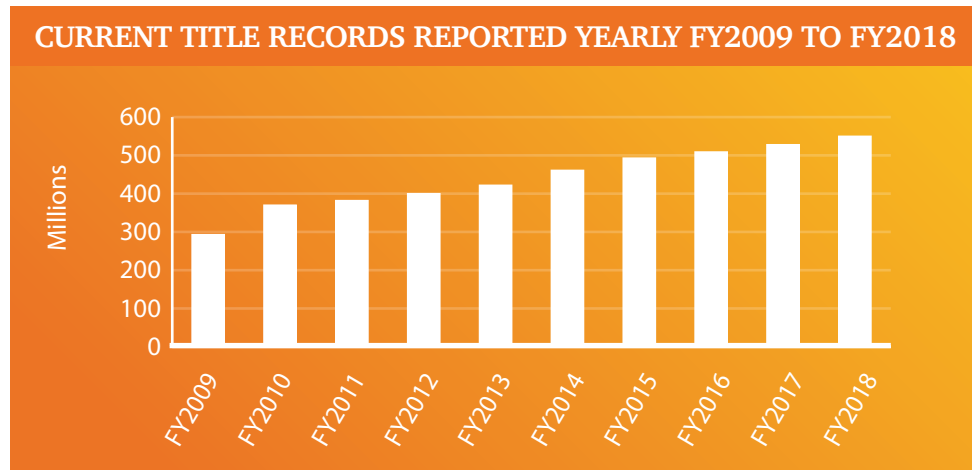


Figure 7

Brand records captured in NMVTIS also increased during the reporting period, with more than 9 million brands added ([see Figure 8](#)).

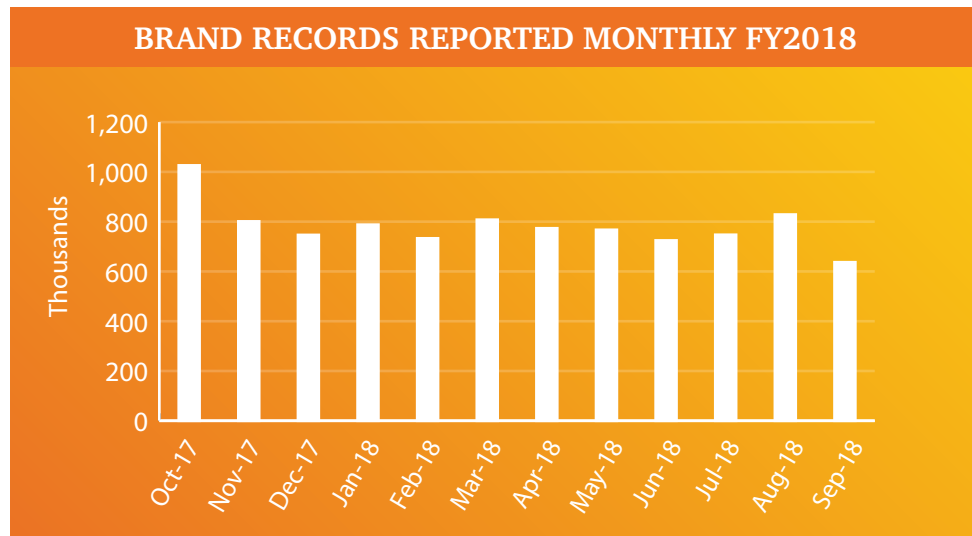


Figure 8

There are more than 60 vehicle brands captured in NMVTIS as of September 30, 2018; the top seven are shown below. The “Other” category includes the remaining brands ([see Figure 9](#)).

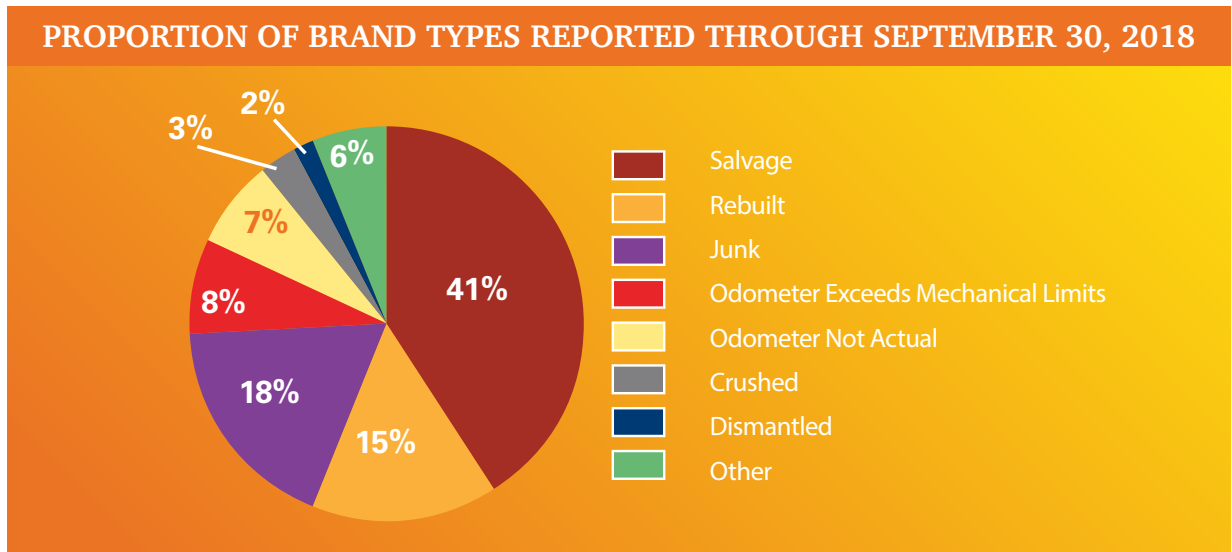


Figure 9

Reporting of brands has increased from more than 59 million in FY2010 to more than 132 million in this reporting period, an increase of 124% (see Figure 10).

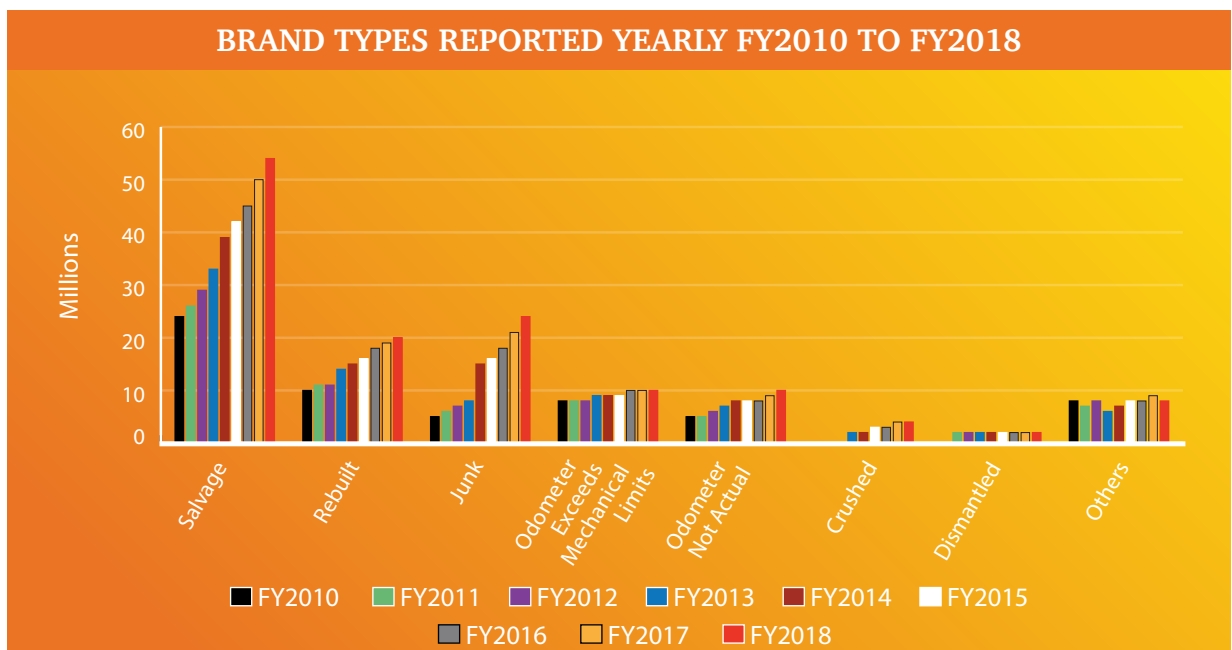


Figure 10

Brand records are reported by branders, which include states, the U.S. Department of Transportation (DOT), and the U.S. General Services Administration (GSA) (see Figure 11). California continues to lead with the most brand records, followed by Texas, Illinois, and Pennsylvania. DOT-branded vehicles total more than 700,000 and reflect the vehicles traded in under the Consumer

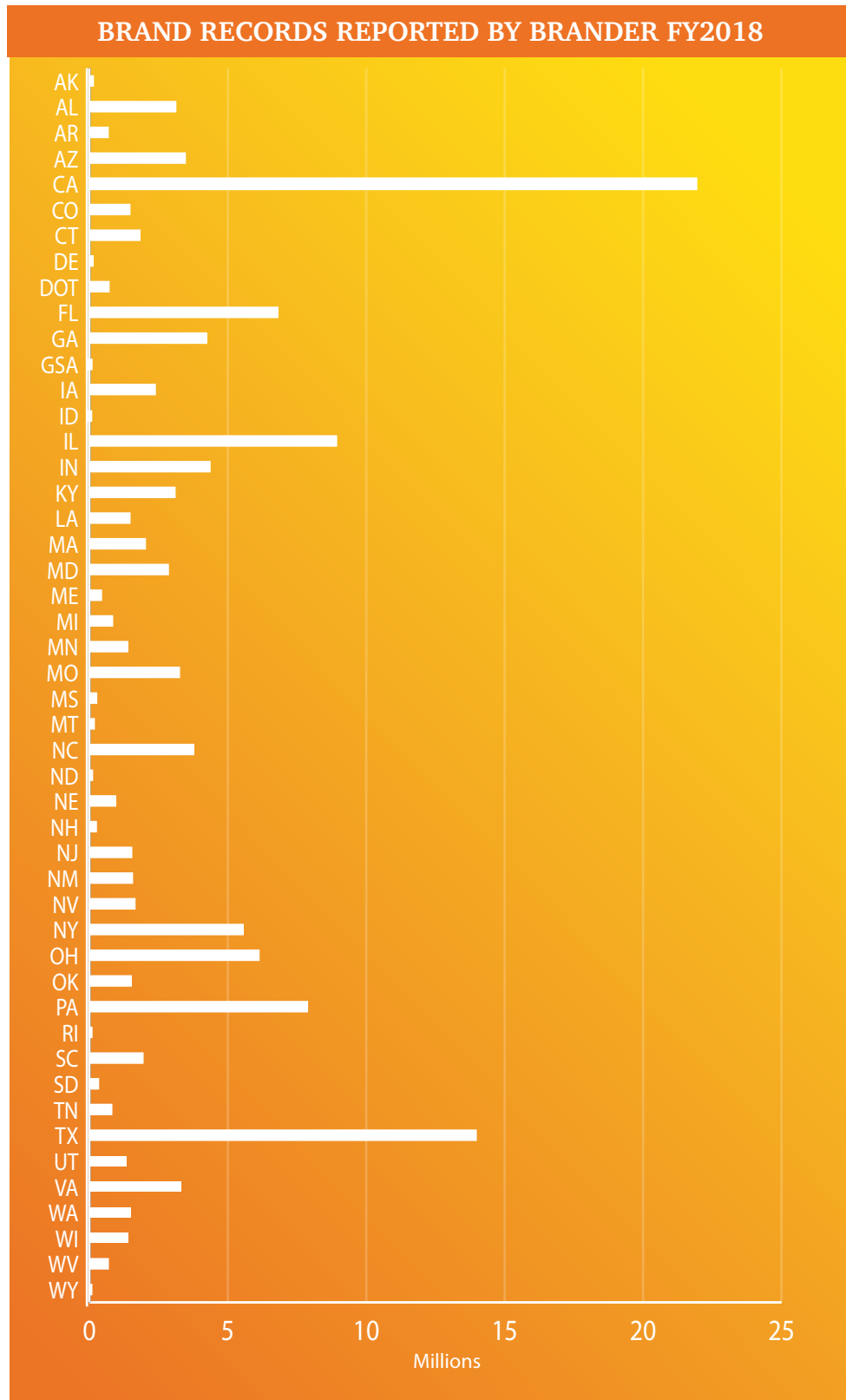


Figure 11

Assistance to Recycle and Save Act which concluded in FY2011; the brands indicate the vehicles should never be designated as roadworthy. GSA provided the fewest brands (589), which reflects GSA's reporting of junk or salvage brands for federal crash, test/scrab, or salvaged vehicles that are sold to the public. More detail on GSA's reporting can be found under Stakeholder Collaboration in this report.

During this reporting period more than 215 million state transactions (inquiries, title updates, and brand updates) were conducted ([see Figure 12](#)), an increase of 1.4% over the more than 212 million transactions during the last reporting period.

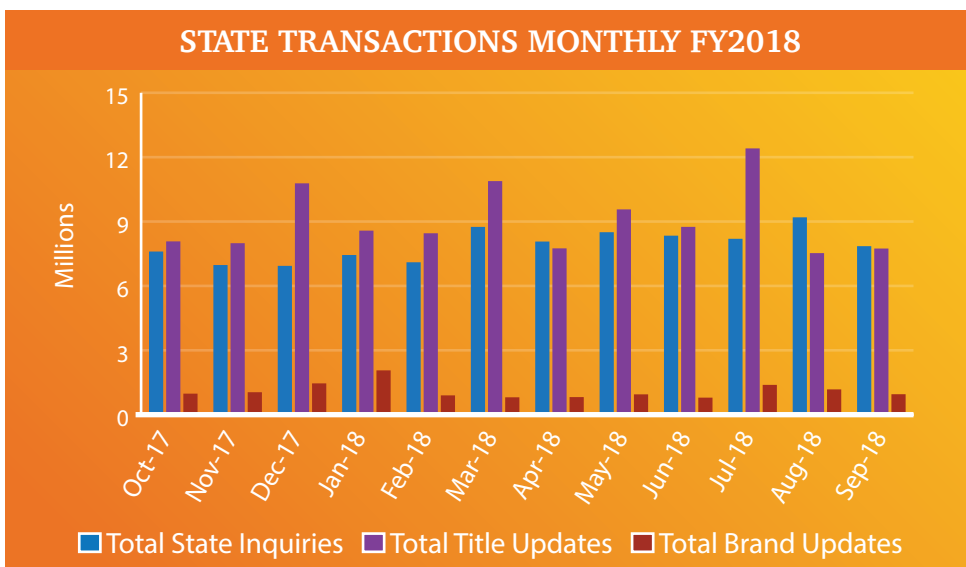


Figure 12

Over the past 10 years, state-conducted transactions have increased more than 194%. In FY2009, transactions numbered approximately 73 million and during this reporting period transactions exceeded 215 million ([see Figure 13](#)).

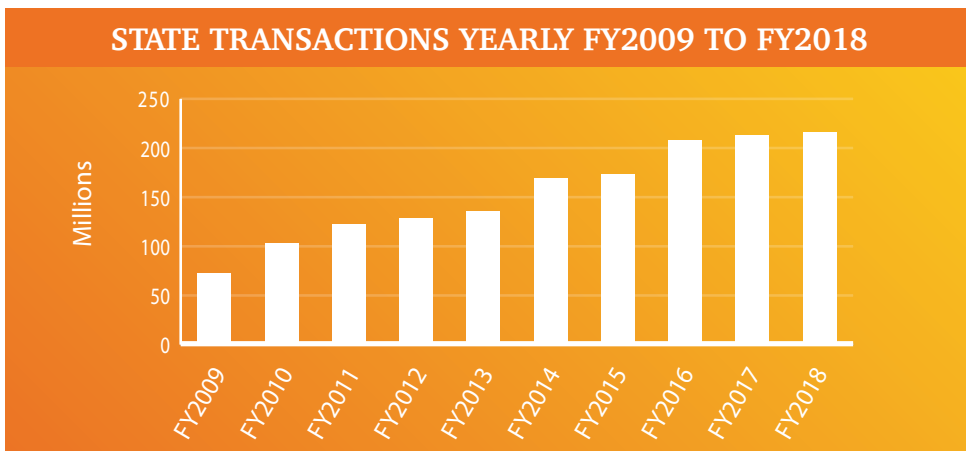


Figure 13

AAMVA continued to complete work related to daily operations, from updating system documentation to implementing changes that maintain the interoperability of NMVTIS. In the summer of 2012, to help resolve business issues related to NMVTIS and to encourage jurisdictions to develop consistent system-related business policies and practices, AAMVA established the NMVTIS Business Rules Working Group (BRWG). The BRWG operates under AAMVA's Vehicle Standing Committee and consists of business and technology staff, along with representatives from the state business and technology areas. Participation balances representation across AAMVA's regions and NMVTIS modes of participation. To help title and registration program managers align NMVTIS with their jurisdiction's title practices, the BRWG developed and published the resource, *NMVTIS Best Practices for Title and Registration Program Managers in DMVs* ([see Glossary](#)) in March 2014. Since that time, the publication has grown to become a key resource for states. [Edition 3](#) was published in August 2016 and during this reporting period work was well underway on the next edition, scheduled to be published in November 2018. This document will continue to evolve as new topics are identified and recommendations for best practices are revised or added by the group.

The BRWG also focused on identifying strategies to encourage maximum state participation, including raising awareness of the ways in which states participate in the system and how they can derive optimal benefits from it. Based on the brochure, *NMVTIS: Working for States*, which the BRWG helped develop in 2015, the BRWG worked with AAMVA and the jurisdictions to develop and release a companion overview video for states to disseminate to their staff and stakeholders to promote understanding of the purposes and benefits of full participation in NMVTIS. The video is available on the AAMVA website.

The BRWG began to develop a Performance Management Concept (PMC) that includes monitoring system activity and providing jurisdictional information. The concept would assist states in fully maximizing their benefits from NMVTIS. It would enable greater information sharing, monitoring, and evaluation, and result in a more efficient and effective system overall. During the previous reporting period, the BRWG developed PMC business requirements for the pilot,

“ Kansas is scheduled to implement NMVTIS in mid-September, 2019, with online integrated query and update. We are excited to finally be coming on board and anticipate many benefits to our participation including fraud prevention, data integrity and to ensure that branding is secured on titles both coming in and leaving our state.”

LEEANN PHELPS
Vehicle Services Manager,
Kansas Division of Vehicles

which were used to prepare a cost estimate. In spring 2017, the Vehicle Standing Committee approved the PMC pilot project for funding consideration. During this reporting period, funding approval was obtained. Planning and development will begin in the next report period.

In April 2018, the BRWG met with the NMVTIS Law Enforcement Working Group (LEWG) to share ideas and promote common goals. This was the third joint meeting of these working groups and they will continue to meet annually to discuss activities in support of the system and its stakeholders. Information on the NMVTIS LEWG can be found under the [Law Enforcement Access Program](#) section.

As an alternate approach to integrating with NMVTIS, state web services were introduced in 2016. In 2017, Minnesota became the first state to develop and implement web services. Alabama, Arizona, District of Columbia, Idaho, Kansas, and South Dakota continued development to use the state web services solution. Texas was in development for web services for its Duplicate Title process only and California was in development for inquiry only.

AAMVA continued to deliver State Web Interface (SWI) training to states, enabling them to add or modify their own records securely through the interface. AAMVA conducted monthly SWI webinar trainings on three topics: instantly verifying titles, performing data correction, and using the SWI administrative features. During this reporting period, AAMVA held 44 webinars, with more than 210 participants representing 32 states. States have reported the ability to make self-service corrections to data, make state titling processes more efficient, and improve NMVTIS data integrity.

The plan to rename the monthly Information Technology Working Group meeting was finalized in October 2017. The newly titled NMVTIS Monthly Forum convened nine conference calls during this reporting period to collaborate and share information. AAMVA staff provided system status updates during these conference calls.

Ongoing operational collaboration among the states continued to be fostered. In November 2017, January and July 2018, NMVTIS State Business Points of Contact representatives participated in conference calls to receive current information about NMVTIS, discuss their roles and responsibilities, provide feedback concerning operations, and exchange information on how NMVTIS is used in

“NMVTIS is a great tool to assist our County Clerk when registering and titling vehicles. Our Motor Vehicle Investigation Unit also uses this as a verification tool investigating stolen and cloned vehicles.”

KEVIN KIHN
Operations Manager, Colorado
Department of Motor Vehicles



their jurisdictions. More than half of the jurisdictions were represented in these conference calls.

In 2017, DOJ and AAMVA agreed to allocate \$1.2 million of NMVTIS program income to support states completing NMVTIS compliance. A first round of funding led to the allocation of \$584,000 to four jurisdictions (District of Columbia, Kansas, North Carolina, and Oregon). North Carolina met the agreed-upon requirements leading to full participation in NMVTIS during this reporting period. The District of Columbia and Kansas requested and were granted extensions, with the agreement to be Participating during the next report period. Oregon began its development during this reporting period and is expected to be Participating in the next reporting period. In this reporting period, DOJ and AAMVA authorized a second round of funding with the remaining balance of \$616,000. In September 2018, DOJ conducted outreach to six states (Hawaii, Idaho, Maryland, Massachusetts, Tennessee, and Vermont) that were not participating fully in NMVTIS to notify them of funding available to achieve full participation. Four states (Idaho, Maryland, Massachusetts, and Vermont) subsequently submitted applications for funding. These states are expected to begin development during the next reporting period.

During September 2017, Florida and Texas were declared disaster areas when Hurricanes Irma and Harvey caused massive flooding. As many as one million vehicles were damaged or destroyed in the storms and their aftermath. Relief and recovery affected more than 13 million people in Florida, Kentucky, Louisiana, Mississippi, Tennessee, and Texas. AAMVA provided a notice to states giving guidance on how NMVTIS can help. During this period, AAMVA provided emergency funds to the Texas Department of Motor Vehicles to expedite processing of title transactions for vehicles affected by Harvey. Florida did not request any funding assistance.

“Connecticut checks every vehicle that is registered and titled in the state against NMVTIS. It provides valuable information so the customer is properly informed of any issues involved with their vehicle.”

DANIEL SILBO
Manager, Support Services
and Relationship
Management, Connecticut
Department of Motor Vehicles

BENEFITS

States Report Positive Results Through NMVTIS Participation States that inquire into NMVTIS (i.e., conduct a title verification check) receive data on the specific vehicle, the current title, any brand information, JSI information, and whether the vehicle is reported stolen. Based on this information, the state determines whether to issue a new title. When a vehicle is retitled, NMVTIS is updated to show the current state of title. During this reporting period, the following states reported a wide range of benefits from participating in NMVTIS:

Potential Stolen Vehicles Identified Using NMVTIS

- **Colorado:** Stolen vehicle hits identified while conducting title verification.
- **Connecticut:** 1,177 stolen vehicle hits prompted investigations.
- **Florida:** 40 stolen vehicle hits prompted investigations.
- **Indiana:** 1,819 stolen vehicle hits prompted investigations.
- **Kentucky:** 52 stolen vehicle hits prompted investigations.
- **Michigan:** Stolen vehicle hits identified while conducting title verification. Vehicles were either recovered or held from being titled.
- **Mississippi:** 154 stolen hits identified prompted investigations.
- **Missouri:** 2,929 stolen hits identified prompted investigations.
- **New Hampshire:** 285 stolen vehicle hits prompted investigations; one motorcycle was recovered of eight stolen out of South Carolina dealership.
- **New York:** 45 stolen vehicle hits prompted investigations.
- **North Carolina:** Three stolen vehicle hits prompted investigations; all were deemed stolen or to have altered titles.
- **South Dakota:** 25 stolen vehicle hits prompted investigations.
- **Texas:** Two stolen vehicle hits prompted investigations.
- **West Virginia:** 18 stolen vehicle hits prompted investigations; 13 were confirmed stolen and five were identified as recovered, but not reported to the National Crime Information Center (NCIC) to clear the brand by the recovering entity.
- **Wisconsin:** 183 stolen vehicle hits prompted investigations.
- **Wyoming:** Stolen vehicle hits identified while conducting title verification.

“NMVTIS is a wonderful tool. We could not do without it. We use it every day.”

LORETTA FOWLER
Title Branch Manager, Kentucky
Motor Vehicle Licensing

Vehicle Brands Identified and Carried Forward Using NMVTIS

- **Colorado:** Carried forward missing brands.
- **Connecticut:** Investigated and/or carried forward 45,942 missing brands.
- **Florida:** 50 odometer fraud complaints were received by the Motor Vehicle Fraud Unit with 29 titles either branded “not actual” or flagged for correction.
- **Idaho:** Carried forward 5 missing brands.
- **Illinois:** Carried forward 1,352 missing brands.
- **Indiana:** Carried forward 42,958 missing brands.

- **Maine:** Carried forward missing brands.
- **Michigan:** Carried forward 30 missing brands.
- **Mississippi:** Carried forward missing brands.
- **Missouri:** 108 vehicles were identified as missing brands, prompting notifications to vehicle owners and branding of the vehicles according to Missouri law.
- **Nebraska:** Carried forward missing brands.
- **New Hampshire:** Carried forward 24,504 missing brands.
- **New York:** 550 vehicles were identified as missing salvage-related brands, prompting notifications to vehicle owners to undergo the Salvage Exam Process.
- **North Carolina:** Carried forward nearly 800 missing brands.
- **Texas:** Carried forward 17,466 missing brands: 868 out-of-state titles surrendered did not contain brands; 1,184 previously issued Texas titles were missing brands; 219 vehicles that lacked ownership evidence and were processed under a bond, court order, or foreclosure lien were identified as missing brands; 15,049 transactions were identified where a processing clerk failed to carry forward a brand. Prior to new titles being issued, 122 vehicles previously reported as junk were identified and prevented from returning to the road.
- **West Virginia:** Carried forward more than 250 missing brands.
- **Wisconsin:** Carried forward missing brands.
- **Wyoming:** Carried forward missing brands.

FRAUD INVESTIGATION

California's NMVTIS help desk received a title validation request for a vehicle due to the receipt of a clear California title, when the NMVTIS vehicle record showed a prior junk brand due to flood damage. Research revealed the vehicle was titled through the low value lien sale (mechanics lien) process which did not require prior titling documents to be surrendered or non-California records to be searched. Additional documents found during this process identified several other similarly-branded vehicles titled through the same process by the same company. Since the evidence indicated a possible fraudulent title washing scheme, all of the information was forwarded to departmental investigators for a possible criminal activity investigation.

Enhanced Customer Service Attributed to NMVTIS Use

- **Colorado:** NMVTIS automation reduced wait times and ensured the most accurate title documents were issued to Colorado residents.
- **Connecticut:** Advised customers of any issues prior to registration; ensured the most accurate title documents were issued to Connecticut residents.
- **Idaho:** Ensured the most accurate title documents were issued to Idaho residents.
- **Florida:** Assisted with motor vehicle fraud investigations for Florida and out-of-state residents.
- **Illinois:** Ensured the most accurate title documents were issued to Illinois residents. NMVTIS identified 789 odometer errors, 9,569 title number errors (surrendered titles), and 5,026 vehicle make discrepancies before a new title was issued.
- **Kentucky:** Ensured the most accurate title documents were issued to Kentucky residents.
- **Louisiana:** Ensured the most accurate title documents were issued to Louisiana residents.
- **Maine:** Prevented duplicate titles from being issued when titles had been issued by other states; ensured the most accurate title documents were issued to Maine residents.
- **Michigan:** The state's help desk resolved approximately 1,254 title and brand issues with other NMVTIS jurisdictions, improving customer service and enhancing record integrity.
- **Mississippi:** Ensured the most accurate title documents were issued to Mississippi residents.
- **Nebraska:** Ensured the most accurate title documents were issued to Nebraska residents.
- **New York:** Advised customers when a vehicle was sold to them with a salvage-related brand.
- **North Carolina:** Ensured the most accurate title documents were issued to North Carolina residents.
- **North Dakota:** Advised customers when a vehicle was sold to them with a salvage or previously salvaged brand.
- **South Dakota:** Saved customers legal fees and insurance issues with unrepairable vehicles and ensured the most accurate title documents were issued to South Dakota residents.
- **Texas:** Inquiries revealed 106,821 apparent errors, prompting a secondary review to ensure accuracy; the majority of these had substantive errors that may have allowed fraud or caused issues for future owners.
- **West Virginia:** NMVTIS automation expedited document issue and ensured the most accurate title documents were issued to West Virginia residents.
- **Wisconsin:** Ensured the most accurate title documents were issued to Wisconsin residents.
- **Wyoming:** NMVTIS helped provided accurate title history, ensuring the most accurate title documents were issued to Wyoming residents.

“NMVTIS plays a major role in the prevention of vehicle and odometer fraud in Maine. Maine citizens receive beneficial information as a result of Maine BMV running VINs through NMVTIS.”

RONALD RIOUX
Chief Motor Vehicle Title Examiner,
Maine Bureau of Motor Vehicles



Potential “Cloned” Vehicles Identified Using NMVTIS

- **Connecticut:** Cloned VINs prompted investigations.
- **Florida:** 40 cloned VINs prompted investigations.
- **Indiana:** Cloned VINs prompted investigations.
- **Maine:** Cloned VINs prompted investigations.
- **Michigan:** Several vehicles were confirmed cloned.
- **New York:** Cloned VINs prompted investigations.
- **West Virginia:** Two cloned VINs prompted investigations; both were identified as crushed or dismantled by recycling centers and were found to be in other states applying for registration.
- **Wisconsin:** 10 cloned VINs prompted investigations.
- **Wyoming:** Three cloned VINs prompted investigations; all were linked to the same suspects.

Potential Fraudulent Activity Identified Using NMVTIS

- **Colorado:** Staff conducted hundreds of searches daily; incorrect odometer readings and missing brands were corrected.
- **Connecticut:** NMVTIS automation ensured the most accurate title documents were issued to Connecticut residents; junk vehicles were identified prior to titling.
- **Florida:** 29 title records were corrected to show odometer readings as “not actual.”
- **Indiana:** NMVTIS automation ensured the most accurate title documents were issued to Indiana residents; junk vehicles were identified prior to titling.

FRAUD INVESTIGATION

California NMVTIS Administrator Chris Milhoan instructed new NMVTIS users on using the NMVTIS SWI and reading NMVTIS records. This training included sample NMVTIS printouts showing different scenarios. Two such printouts, for a pair of 2008 Lamborghinis stolen in California in 2010, showed a good example of vehicle theft information. While preparing for a training class Milhoan pulled the NMVTIS record and noted that not only did the theft information have a purged indicator, but that the vehicles were also titled in two other states. Milhoan contacted law enforcement, confirmed the vehicles had not been recorded as recovered, and provided them with their first leads on this case in more than eight years.

- **Maine:** NMVTIS automation identified odometer discrepancies that could be investigated and corrected before a Maine title was issued.
- **Michigan:** Salvage and scrap dispositions were identified as missing in a few cases in which surety bonds ([see Glossary](#)) were submitted as alternative ownership documents. Junk vehicles were identified.
- **Mississippi:** NMVTIS automation ensured the most accurate title documents were issued to Mississippi residents; junk vehicles were identified prior to titling.
- **Missouri:** One Illinois and one Florida title were presented, which were confirmed fraudulent by Georgia and North Carolina, respectively.
- **New Hampshire:** One Massachusetts and one Georgia title were presented, which were confirmed fraudulent by those states.
- **New York:** NMVTIS automation ensured the most accurate title documents were issued to New York residents and assisted with fraud investigations; 30 junk vehicles were identified prior to titling.
- **South Dakota:** Five fake or fraudulent titles that washed brands were identified and turned over for investigation; 10 other incidents of fraud were detected and resolved through SWI and verification of the current state of title.
- **Texas:** 35 fake or fraudulent titles were identified; 49 titles had odometers altered; 24 titles had brands tampered with or altered. An additional 2,642 superseded titles ([see Glossary](#)) were surrendered; 8,943 identified odometer discrepancies are pending further verification of either title tampering or data entry errors; 122 junk vehicles were identified prior to a new title being issued.
- **West Virginia:** Two junk vehicles were identified prior to a new title being issued.
- **Wisconsin:** NMVTIS automation identified discrepancies, prompting requests for vehicle inspections.
- **Wyoming:** NMVTIS automation identified discrepancies, prompting investigations; two vehicles were confirmed to have fraudulent titles.

“With NMVTIS, Michigan identified several missed title brands, altered titles, and counterfeit titles and took action to thwart washed titles and fraudulent title activity. This includes out-of-state titles submitted to Michigan and altered or counterfeit Michigan titles presented in other states who contacted Michigan for verification. NMVTIS is working great to identify and deter vehicle title fraud in Michigan.”

MAXWELL DEH
Departmental Specialist,
Michigan Department of State

Enhancements for Motor Vehicle Titling Agencies Attributed to NMVTIS

- **Colorado:** NMVTIS automation saved time and money and made titles more accurate.
- **Connecticut:** NMVTIS automation made titles more accurate.
- **Kentucky:** Automation saved time and money and made titles more accurate.
- **Maine:** NMVTIS automation saved time and money and made titles more accurate.
- **Michigan:** Not having to recall titles due to missed out-of-state brands resulted in cost savings.

- **Mississippi:** NMVTIS automation saved time and money and made titles more accurate.
- **Nebraska:** Labor costs of approximately \$17,500 were saved due to NMVTIS automation.
- **North Carolina:** NMVTIS automation saved time and money in not sending renewals for vehicles that moved out of state.
- **Texas:** Adopted a new “enhanced stolen check” process allowing a secondary theft check through State Web Interface using NICB theft data on duplicate title applications. If NICB confirmed the stolen status was still active, the duplicate title application was denied and the Texas record was amended to show the stolen status.
- **West Virginia:** NMVTIS automation saved time and money and made titles more accurate.
- **Wyoming:** NMVTIS automation saved time and money and made titles more accurate.

JSI Data Assisted in Business Processes

- **Connecticut:** On more than 800,000 occasions, data was used to verify salvaged vehicles from other states ensuring the appropriate brand was attached to a specific VIN.
- **Idaho:** Data was used to verify salvaged vehicles from other states ensuring the appropriate brand was attached to a specific VIN.
- **Maine:** Data was used to assist in investigations and ensure the appropriate brand was attached to a specific VIN.
- **Michigan:** Data was used to verify that a state issued a salvage or scrap title.
- **Mississippi:** Data was used to verify salvage and junk vehicles from other states ensuring the appropriate brand was attached to a specific VIN; prevented junk vehicles from being titled and registered.
- **Nebraska:** Data was used to assist in investigations and to ensure the appropriate brand was attached to a specific VIN.
- **New Hampshire:** Data was referenced on 17,381 occasions to assist in ensuring the appropriate brand was attached to a specific VIN; prevented junk vehicles from being titled and registered.
- **New York:** Data was referenced on approximately 3,000 occasions which assisted in ensuring salvage vehicles went through the appropriate examination process prior to being titled.

FRAUD INVESTIGATION

The Campbell County Clerk in Wyoming discovered a 2008 Cadillac Escalade and a 2014 Camaro had been cloned by identifying fake titles submitted for the vehicles. Title history research through NMVTIS traced back the clones, enabling the Clerk to verify the legitimate VIN and title for each vehicle.

- **North Carolina:** Data was used more than 100 times per day to assist in investigations and ensure the appropriate brand was attached to a specific VIN.
- **North Dakota:** Data was used to assist in investigations and to ensure the appropriate brand was attached to a specific VIN.
- **West Virginia:** Data was referenced on more than 1,000 occasions and used to ensure the appropriate brand was attached to a specific VIN prior to titling.
- **Wisconsin:** Data was used to assist in investigations and to ensure the appropriate brand was attached to a specific VIN.
- **Wyoming:** Data was used to assist in investigations and to ensure the appropriate brand was attached to a specific VIN.

PAYING USER FEES

States Paid \$4.8 Million Toward the Cost of Operating the System in FY2018 In accordance with the NMVTIS Final Rule, requiring 12 months' advance notification before charging state fees, AAMVA issued a formal notice to all state motor vehicle titling agencies regarding the relief of paying state user fees for FY2011 and FY2012 and the reinstatement of fees in FY2013.

During FY2014, AAMVA revised the state fee model so that states pay an increased portion of system costs. In FY2015, this fee model became effective. Key points include:

- State fees will cover an increasing percentage of total NMVTIS operational costs each year, from 60% in FY2016 to 90% in FY2019.
- An equitable 51-tier structure assigns each jurisdiction responsibility for a portion of total system operating costs, based on each jurisdiction's number of registered vehicles (as reported to the FHWA) as a percentage of the total U.S. registered vehicle population.
- Remaining operating costs during FY2016-FY2019 will be covered by a mix of funding sources, including consumer access fees and AAMVA member funds.
- States may receive a credit equaling 50% of the revenue associated with each consumer access transaction that results in data returned for a VIN pointing to that state as the current state of title. BJA

FRAUD INVESTIGATION

The Sheridan County Clerk in Wyoming discovered in NMVTIS a vehicle with a Louisiana crushed/flood brand, sold by a dealer in Oregon with a clear Oregon title. Fault on the part of the dealership could not be substantiated; however, the dealer took possession of the vehicle and refunded the Wyoming customer.

In another Sheridan County case, a customer advised the Clerk of a VIN discrepancy, where a 2008 Dodge pickup was titled and registered as a 2003 vehicle. Title history research through NMVTIS revealed that a Montana dealer had sold the 2008 Dodge pickup with a 2003 Dodge title to avoid revealing a Salvage Title associated with the 2008 pickup.

will determine whether states are currently in compliance and therefore eligible to receive the applicable credit.

States Earn Revenue Credits As part of the state user fee model, a state that provides title and brand data to NMVTIS is eligible to earn fee credits from revenue earned by the operator when a NMVTIS record for a vehicle titled in that state is sold to an Approved NMVTIS Data Provider. AAMVA notified states of the BJA-approved uses of fee credits. Eligible uses include paying the future year's user fees, making improvements to state title/registration data and processes, raising consumer awareness of NMVTIS, training staff, conducting quantitative analysis of the impacts of NMVTIS on titling process and/or consumer protection, and otherwise developing state capacity to participate fully.

During the reporting period, 45 eligible states earned more than \$1.9 million in credits compared to the \$2.8 million earned in the prior period (see Figure 14). The 30% reduction is linked to the reduced volume of transactions compared with the prior period. These credit amounts are more in line with steady growth.

“By having NMVTIS integrated into our system we get online instant information that we have the most recent title, correct brands, and current odometer. This saves customers money and protects us and our customers from unsafe vehicles being on the road.”

SANDY O'DAY
Title Supervisor,
South Dakota Division
of Motor Vehicles

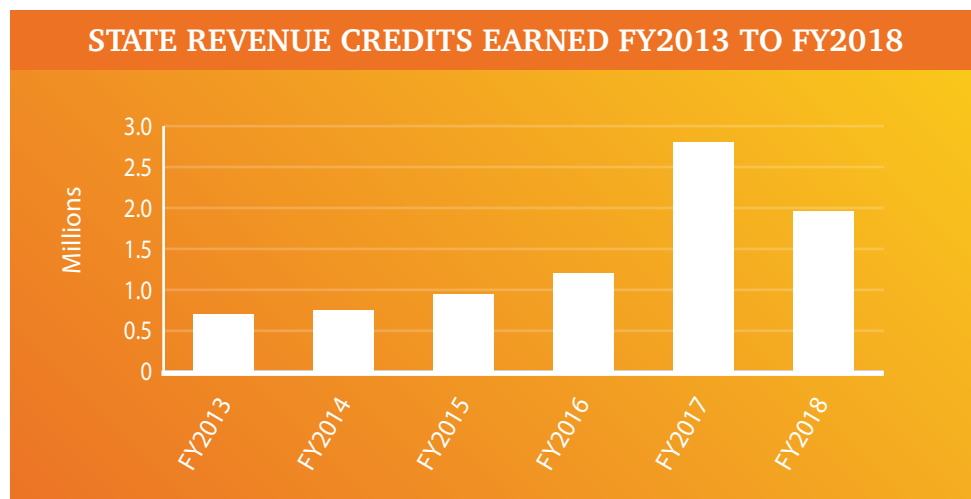


Figure 14

Junk Yard, Salvage Yard, and Insurance Carrier Reporting Program

Number of Records Reported Continued to Increase; More Than 63 Million Unique VINs Reported to Date; DOJ Issued Reminder Notice After Flooding Events in Several States

The Anti Car Theft Act requires that in addition to state motor vehicle titling agencies, other third parties must report vehicle information into NMVTIS. Specifically, junk and salvage yards, auto recyclers, and insurance companies have been required to report (at least monthly) vehicles deemed junk, salvage, or total loss to NMVTIS since March 31, 2009. There are two reporting exceptions: entities that handle fewer than five vehicles per year deemed salvage (including total loss) or junk; and entities that currently report the required data elements to the state in which they are located, with the state providing the required information to NMVTIS. The number of reported records in the JSI reporting program continues to grow at a consistent rate. As reported under the [State Program/Benefits](#) section of this publication, states rely on JSI data to make informed business decisions in their state titling processes.

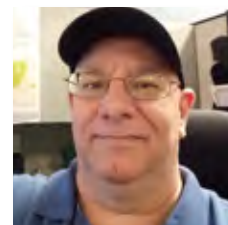
Four data consolidators provide data reporting services to businesses required to report to NMVTIS:

- AAMVA Single VIN Reporting Service
- Audatex
- Auto Data Direct, Inc.
- ISO ClaimSearch Solutions

During this reporting period, a total of 19.1 million records were reported by junk, salvage, and insurance entities (see [Figure 15](#)). This was an increase of more than one million records (7%) from FY2017. The NMVTIS regulation requires individuals engaged in the act of acquiring or owning junk or salvage automobiles for resale in their entirety or as spare parts or for rebuilding, restoration, or crushing to report vehicles deemed junk or salvage. The NMVTIS Advisory Board recommended that changes be made to the NMVTIS system application to enable individuals to report junk and salvage vehicles to the system. During the last reporting period, AAMVA and DOJ finalized the business requirements for individuals to report junk and salvage vehicles to NMVTIS, and during this report period the new requirement was implemented. There were 104 individual reporting ID numbers issued and just over 3,000 records reported.

“NMVTIS is a valuable tool that should be utilized in all vehicle transactions – evaluating, purchasing, relocating, and/or selling. NMVTIS team members are available to provide excellent service and guidance with any questions or concerns that the consumer or jurisdiction personnel might have.”

SHAWN HALL
NMVTIS Lead, West
Virginia Division of
Motor Vehicles



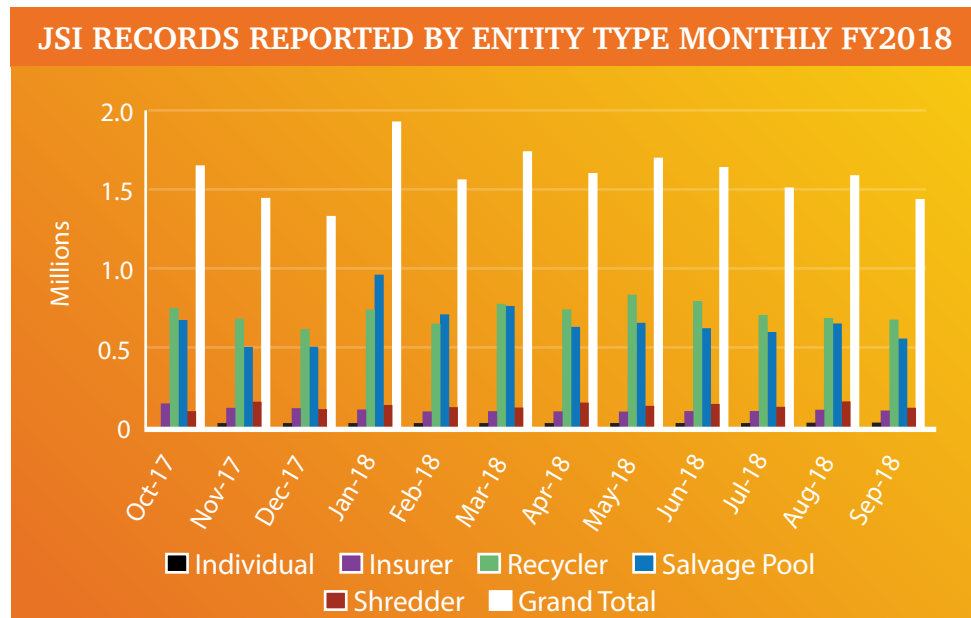


Figure 15

During the reporting period, ISO ClaimSearch Solutions (ISO), one of the data consolidators, focused its efforts on educating its insurance company members in various areas including submission of proper data, types of errors to correct, and resubmission. The ISO ClaimSearch NMVTIS Dashboard was also used for self-audit purposes. In response to concerns raised by some users, ISO also added a new feature which provided users a more efficient approach to request amendments to reports. This feature improved the efficiency and effectiveness of their record amendment processing.

ISO also spent time educating its recycler members and the software vendors that submit junk and salvage records on behalf of the recycler community on the importance of keeping accurate record details, as it is an important process which aids in improved data integrity.

“NMVTIS has become a useful resource for Wisconsin DMV in issuing titles with correct brands, mileage, and statuses (i.e. avoid titling junk vehicles).”

ARDIS WELLS
Supervisor, Vehicle Research
Unit, Wisconsin Division of
Motor Vehicles

PROGRAM AREAS: JUNK YARD, SALVAGE YARD, AND INSURANCE CARRIER REPORTING *(Continued)*

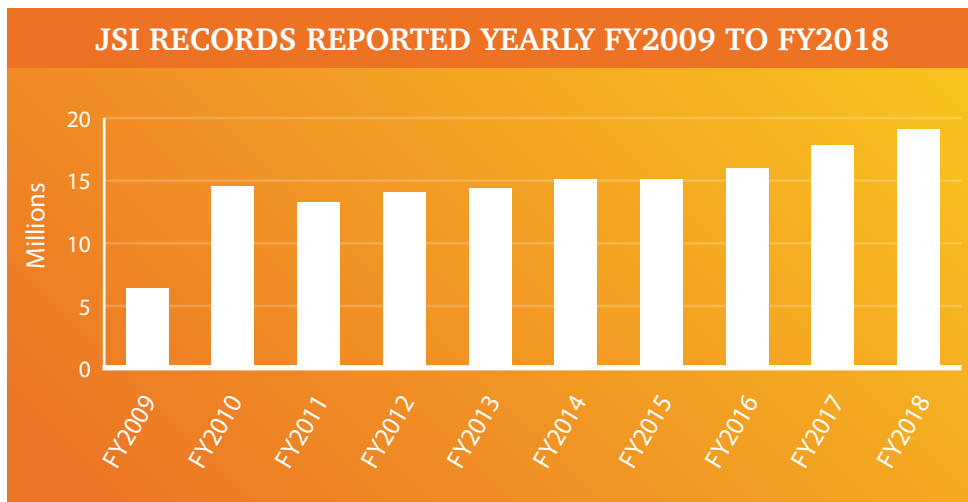


Figure 16

A total of more than 146 million junk, salvage, and insurance records, representing more than 70 million unique VINs, were reported in NMVTIS from FY2009 to the end of this reporting period (see Figure 16). The change from FY2009 to FY2010 reflects the partial reporting period (April-September) in FY2009. The increases from FY2013 to current reporting year may be linked to greater awareness, driven by state legislative and compliance enforcement efforts, and increased reporting related to flood events. As a response to the various flooding events, particularly Hurricane Florence, DOJ reissued a notice to all reporting entities reminding them of the importance of timely reporting of flood-damaged vehicles to NMVTIS. This notice was circulated to all data consolidators and state motor vehicle agencies. ISO also distributed the notice to all its members reminding them of the importance of total loss reporting due to hurricane damage.

An average of 14.6 million junk, salvage, and insurance records has been reported to NMVTIS each year since FY2010. Recyclers and salvage pools reported the vast majority of records (see Figure 17).

“Criminals are selling unsuspecting consumers flooded, salvaged, and rebuilt vehicles as if they were in good condition. NMVTIS helps buyers in Texas and across the nation protect their safety and their money. Obtaining a title history is one of the smartest things you can do before purchasing a used car.”

WHITNEY BREWSTER
Executive Director, Texas
Department of Motor Vehicles



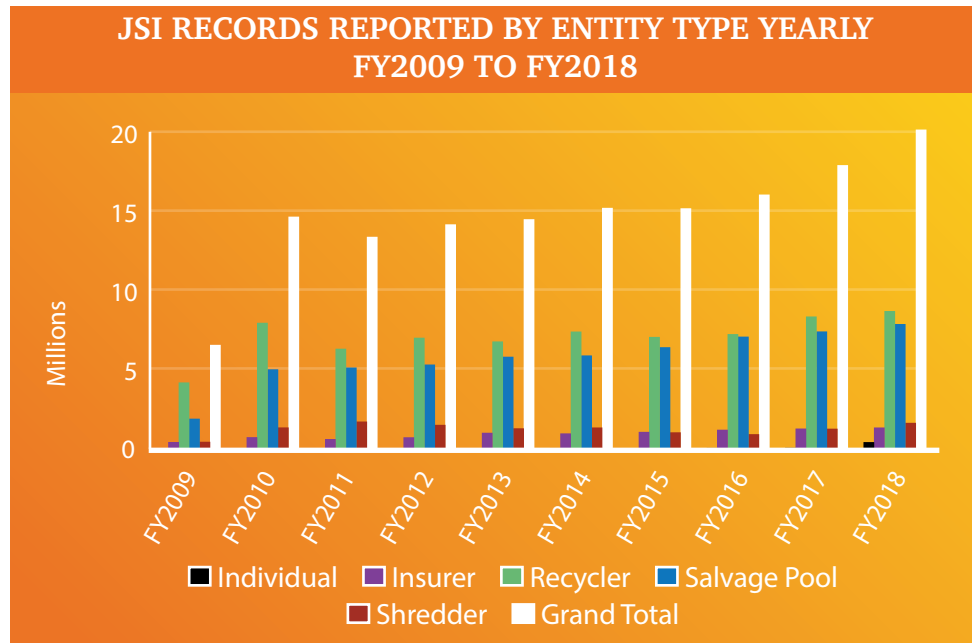


Figure 17

For the vehicle disposition breakdown of the 146 million total records reported to date [see Figure 18](#) and [see Figure 19](#).

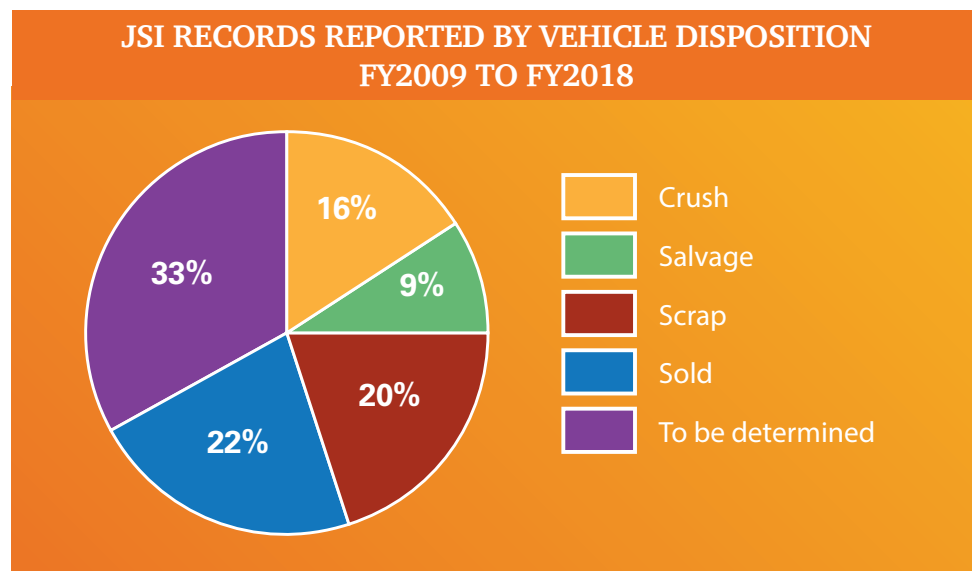


Figure 18

Of the vehicles reported during the period, 67% completed the reporting process with one of the final dispositions of “crush,” “salvage,” “scrap,” or “sold” reported to NMVTIS. The remaining 33% represents vehicles where the reporting is incomplete and the final disposition is pending.

PROGRAM AREAS: JUNK YARD, SALVAGE YARD, AND INSURANCE CARRIER REPORTING *(Continued)*

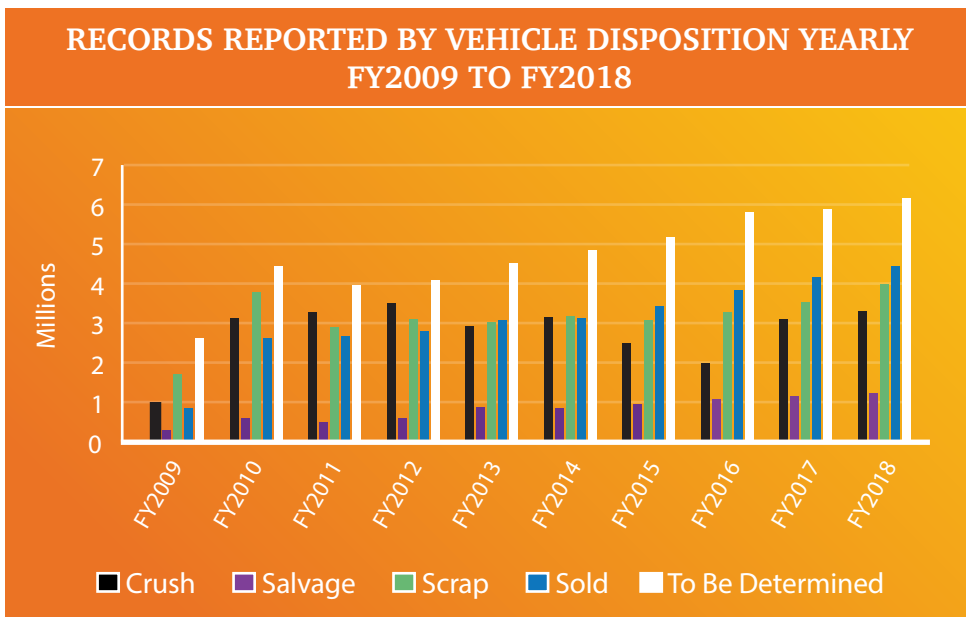


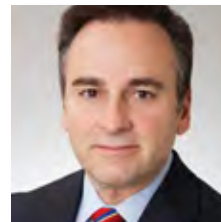
Figure 19

Looking at the historic trend (see Figure 19), the “To Be Determined” disposition status is consistently higher than other dispositions. This may reflect the timing of reporting and when the disposition is known. Some entities include the disposition status at the time a record is submitted, while others take a two-step approach. The record is submitted initially with a blank or “To Be Determined” disposition and subsequently updated when the disposition is known. This could have contributed to the high rate of “To Be Determined” dispositions in this and prior reporting periods.

An average of just over 5,000 entities was reported each month through this reporting period (see Figure 20). This was an average increase of 600 entities reporting monthly over previous reporting periods.

“ Usage of our dashboard continues to increase, and we are now up to over 900 unique users who have accessed the dashboard.”

CARLOS MARTINS
Vice President & General Manager,
ISO ClaimSearch Solutions



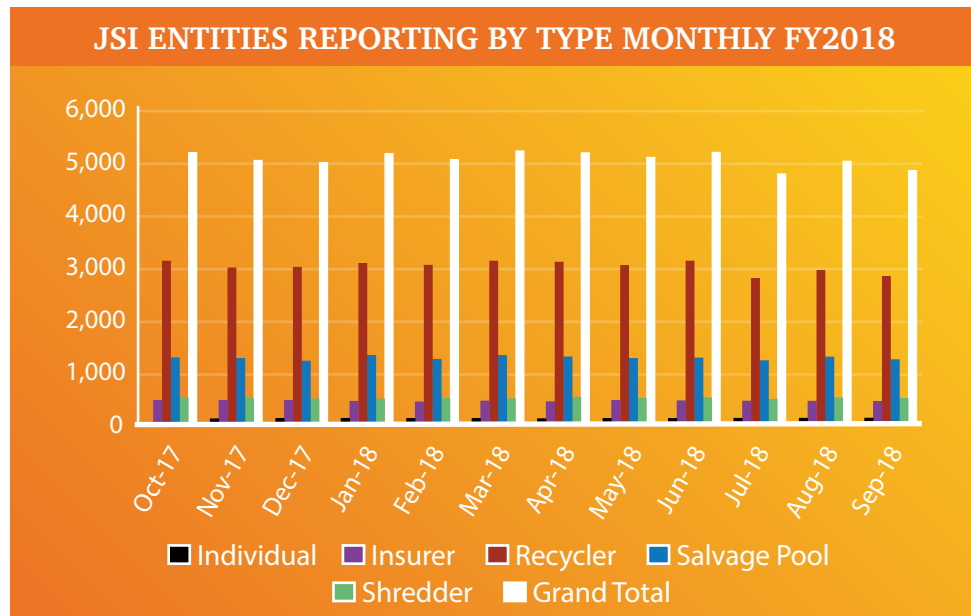


Figure 20

Of the JSI entities, recyclers reported the most vehicles into NMVTIS year-to-year (see [Figure 21](#)).

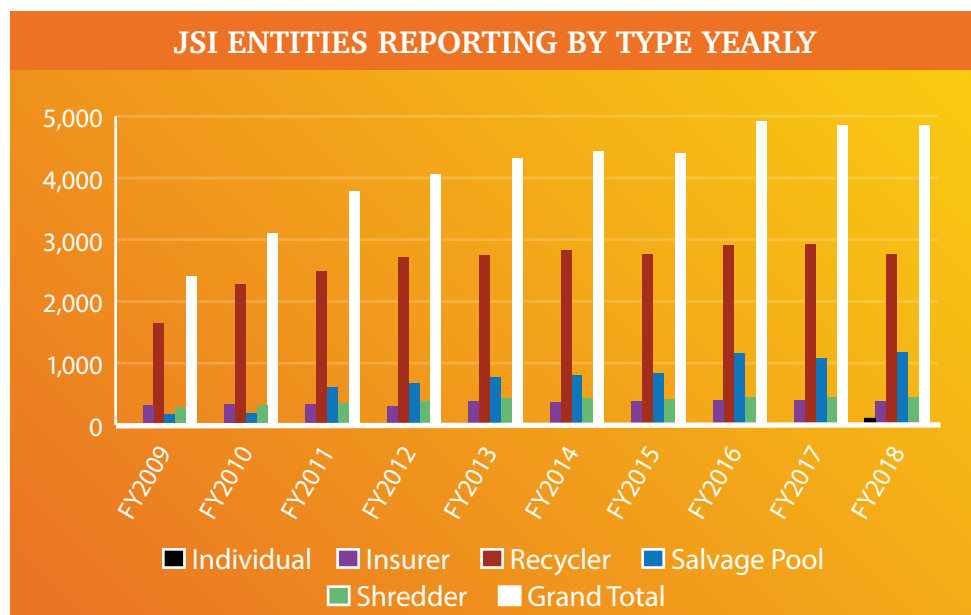


Figure 21

NICB – MASSACHUSETTS JSI REPORTING INVESTIGATION

During the reporting period, AAMVA worked with the National Insurance Crime Bureau (NICB) to conduct data analytics to determine whether stolen motor vehicles (insured and not insured) were reported to NMVTIS as being crushed by

PROGRAM AREAS: JUNK YARD, SALVAGE YARD, AND INSURANCE CARRIER REPORTING *(Continued)*

businesses in Massachusetts. This is the second occasion where NICB used NMVTIS “crush” vehicle information to identify instances of stolen vehicles being destroyed. This effort resulted in identification of more than 440,000 unique VINs reported as “crush” to NMVTIS from January 1, 2015 to May 28, 2018. Of those VINs, 13,200 resulted in theft hits, of which 250 were active thefts. Investigations were conducted by NICB investigators and state/local law enforcement. The results were presented to the State Police Command and Compliance and Salvage Title Unit along with the Boston Police Department Auto Theft Unit.

STATES AND JSI REPORTING

Georgia Department of Revenue: During the reporting period, the Georgia Department of Revenue (DOR) continued its program requiring businesses engaged in the purchase or receipt of salvage vehicles (secondary metals recyclers, used motor vehicle parts dealers, and scrap metal processors called “salvage dealers”) to report NMVTIS information to DOR. In turn, DOR provides electronic reporting that satisfies the salvage dealer’s state reporting requirements as well as federal NMVTIS reporting requirements. This is accomplished through Auto Data Direct, Inc. (ADD, Inc.), Georgia’s exclusive consolidated state/federal data provider, and a NMVTIS data consolidator. ADD, Inc. provides DOR with a web-based service enabling the consolidated reporting of both state and federally required salvage vehicle information in a single process. The consolidated reporting is done at no cost to the businesses.

The number of Georgia businesses reporting and the number of records reported through this arrangement has declined after the initial peak in FY2014. However, this reporting period and the last saw modest growth in the number of records reported. This reporting period saw a slight decrease in businesses reporting – from 116 to 112 – with an increase of 19% in the number of records being reported overall (see [Figures 22 and 23](#)). A detailed breakdown by entity types and records volumes was not available for the reporting period.

“Since going live with NMVTIS in October 2017, we have been able to identify numerous vehicles with brand issues that have been titled in Mississippi. We train our examiners to look for brands on titles but by having NMVTIS online inquiry integrated into MARVIN (Mississippi Automated Registration Vehicle Information Network), it provides another level of verification. This provides another “set of eyes” to help protect our citizens from unscrupulous dealings when purchasing a motor vehicle.”

TONY LAWLER
Office Director of Property
Tax, Mississippi Department
of Revenue



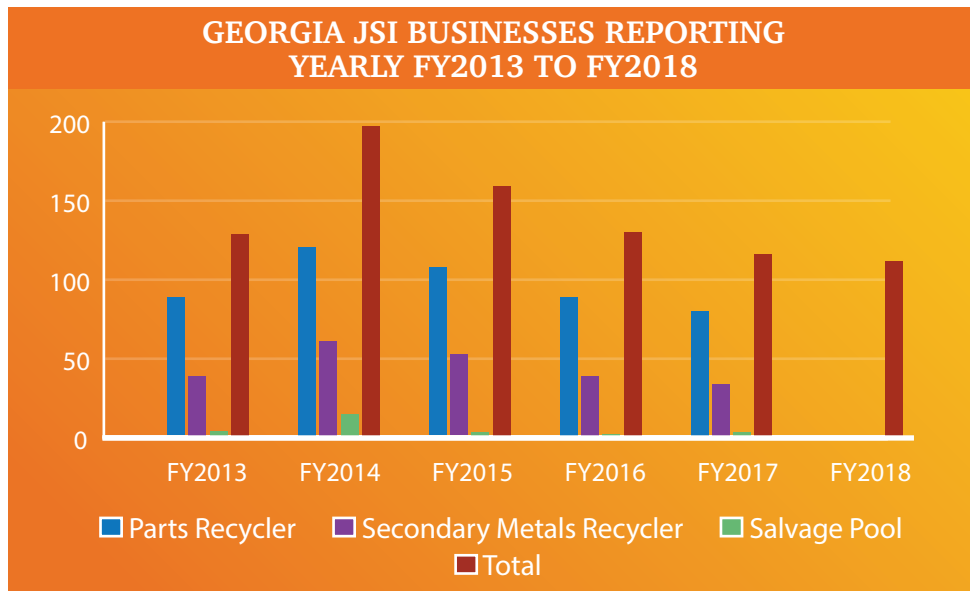


Figure 22
**Detailed business type breakdown unavailable for FY2018.*

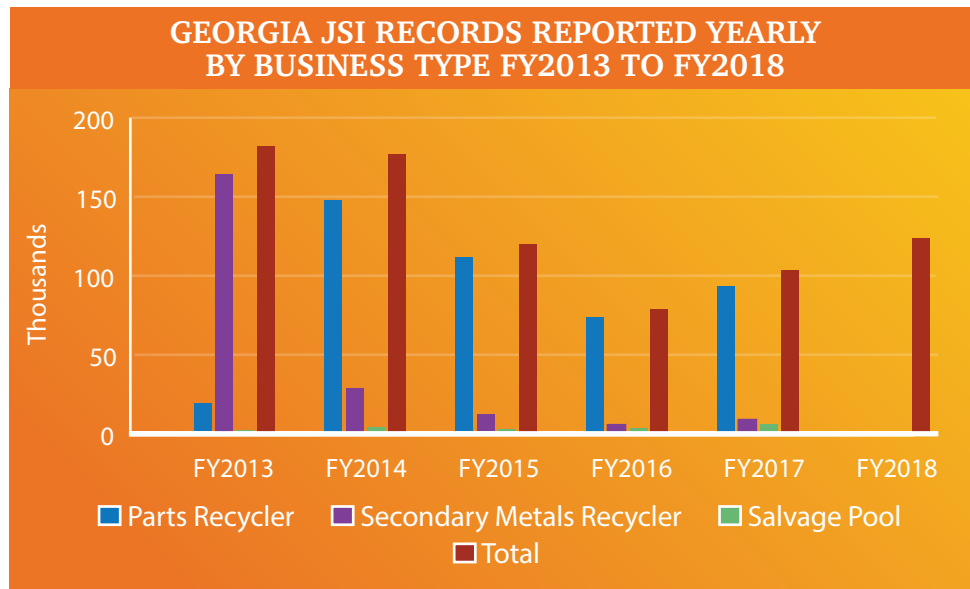


Figure 23
**Detailed business type breakdown unavailable for FY2018.*

PROGRAM AREAS: JUNK YARD, SALVAGE YARD, AND INSURANCE CARRIER REPORTING *(Continued)*

Tennessee Department of Revenue: During the reporting period, Tennessee continued the contractual arrangement with ADD, Inc. to provide consolidated reporting, which became effective July 1, 2016. This reporting period is the second full year of reporting under this arrangement. During this period, 177 businesses submitted 154,999 records through the process—nearly a 12% increase in records reported ([see Figures 24 and 25](#)). In addition to NMVTIS reporting services, the ADD, Inc. process in Tennessee includes a national theft check of reported vehicles performed nightly. In the event of a theft alert, the report is verified by Tennessee law enforcement and the reporting business is notified. There were 324 theft alerts during the period.

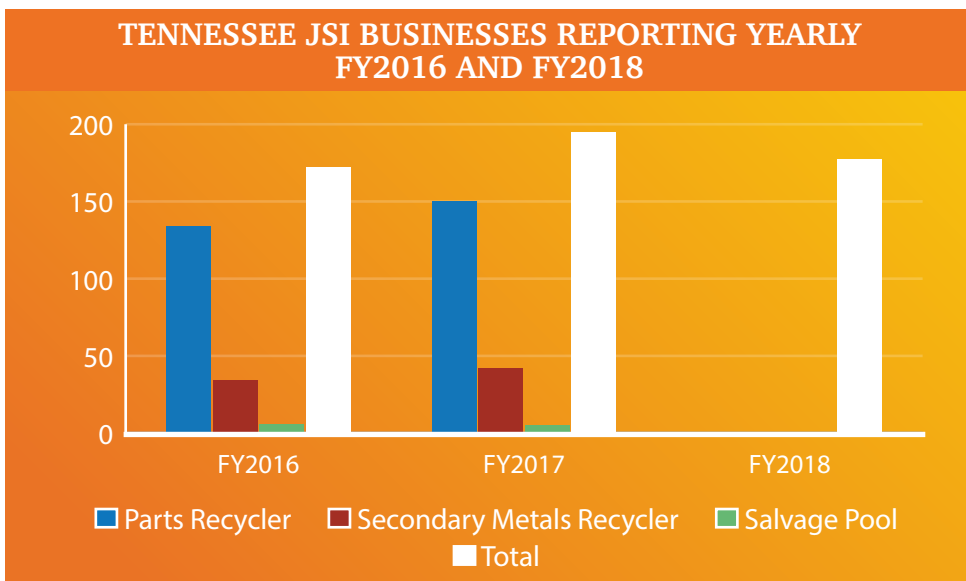


Figure 24
*Detailed business type breakdown unavailable for FY2018.

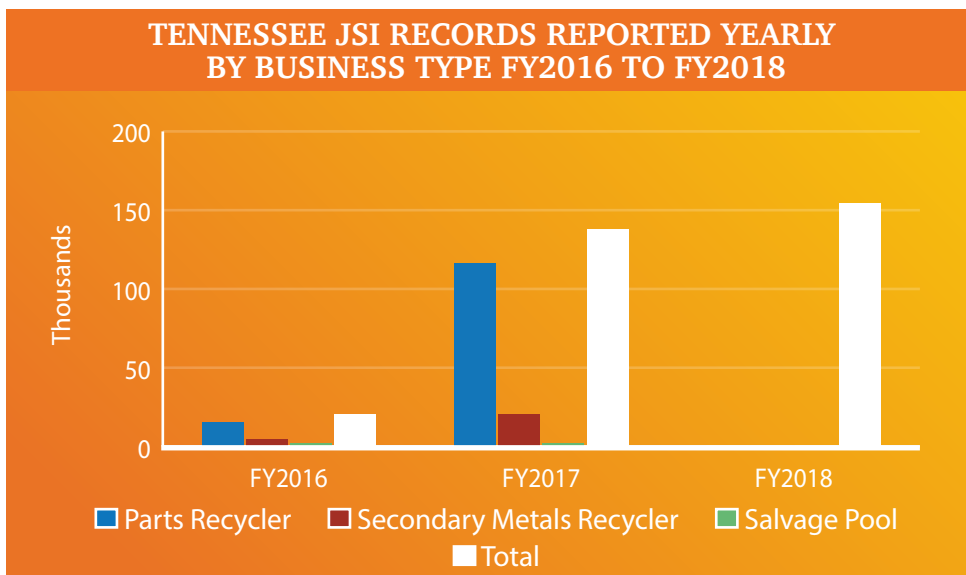


Figure 25
*Detailed business type breakdown unavailable for FY2018.

States Reporting on Behalf of

JSI Entities: During the prior reporting period, a task force was established to explore best options to support states considering reporting to NMVTIS on behalf of junk and salvage reporting entities. Insurers were excluded from this effort. Three options were considered: 1) the state becomes a data consolidator under contract with AAMVA; 2) the state contracts with an existing data consolidator, as in the Georgia/Tennessee model; and 3) NMVTIS serves as the single point of reporting for all junk and salvage businesses.

The task force analyzed these options, soliciting input from subject matter experts (data consolidators and junk/salvage sector). All three options were found to have merit. However, the task force determined the best long-term solution would be for NMVTIS to serve as the single point of reporting. Implementing this option would require legislative or regulatory changes to state reporting obligations for junk and salvage businesses as well as technical changes for states and the system. The option would require businesses to report only once to NMVTIS, which would then provide the data to the relevant state for its use. Further analysis of this option is needed before a final determination can be made and will be revisited in the next reporting period.

In an effort to support Alabama DOR to satisfy a state law requiring the DOR to report scrap recyclers' and dismantlers' information to NMVTIS on behalf of the businesses, AAMVA and DOR agreed to conduct a pilot program. The pilot allows DOR to take on responsibility of a data reporting service for a period of two years while costs for ongoing support are monitored. The work was planned to begin in the next reporting period. However, the pilot was deferred due to AAMVA's plans to rewrite the junk, salvage, and insurance (total loss) reporting system application.

In terms of options, states still have the ability to contract with an existing reporting service (Tennessee and Georgia models). The longer-term option where

“ Since implementation, NMVTIS has been a great asset in processing out-of-state titles. It has allowed us to be more efficient in processing current out-of-state titles and catching brands, discrepancies, and stolen vehicles. It has also helped us catch some information and brands that we have missed or entered in error. North Carolina DMV searches roughly 8,000 VINs per month.”

ROBERT DALTON AND
LORETTA JOHNSON
Supervisors, Field Operation
Support, North Carolina
Division of Motor Vehicles

PROGRAM AREAS: JUNK YARD, SALVAGE YARD, AND INSURANCE CARRIER REPORTING *(Continued)*

the state becomes a data consolidator under contract with AAMVA is under additional review.

New York: During the reporting period, AAMVA continued to provide weekly extract files from the NMVTIS central site to supplement New York DMV's destroyed vehicle program. Vehicles reported with a disposition of "crush" or "scrap" by reporting entities with business addresses in the state were included in the weekly extract.

Iowa and New Hampshire: During the reporting period, Iowa and New Hampshire continued to use weekly extract files of vehicles reported to NMVTIS with a disposition of "crush" or "scrap" by reporting entities with business addresses in the respective states.

“NMVTIS is a valuable tool that is unmeasurable to the benefits we gain. Staff depends on NMVTIS to identify brands that may not be on titles in order to authenticate the document they have in front of them prior to issuing a title. NMVTIS definitely helps prevent fraud. New Hampshire absolutely loves NMVTIS!!”

PRISCILLA VAUGHAN
Bureau Chief, New Hampshire
Bureau of Title and Anti-Theft



STATE LEGISLATIVE EFFORTS

During the reporting period, four states introduced, adopted and/or put into effect NMVTIS-related legislation. These five pieces of legislation address a variety of circumstances in which NMVTIS information is used by states.

ADOPTED LEGISLATION:



ARIZONA

AZ HB 2307: Introduced January 11, 2018; Adopted May 16, 2018; Effective August 3, 2018

- A registered scrap metal dealer or a licensed automotive recycler may purchase a vehicle without obtaining a Certificate of Title if the scrap metal dealer or automotive recycler complies with Subsection B of this provision, the vehicle is at least ten model years old and the owner does not have the paper Certificate of Title to vehicle for certain reasons. Subsection B provides the registered scrap metal dealer or licensed automotive recycler shall obtain a statement that is signed by the seller affirming the condition of the vehicle. When the Department of Transportation accepts an electronic form of the statement, it shall contain the NMVTIS ID number among other identifiers.
- If the Department of Transportation develops an electronic verification system, a registered scrap metal dealer or a licensed automotive recycler shall further attempt to verify the vehicle is not stolen by using the system before purchasing a vehicle without a title in addition to submitting information to NMVTIS pursuant to federal law.
- Within 48 hours after close of business each day, a registered scrap metal dealer or licensed automotive recycler that purchases or receives vehicles for scrap or parts shall maintain and deliver a list of each vehicle purchased that day electronically including the NMVTIS ID of the business acquiring the purchased item.
- A person who engages in the activities of a scrap metal dealer or an automotive recycler, whether or not registered or licensed, and who knowingly and willfully fails to deliver a vehicle title to the Department of Transportation or NMVTIS within 48 hours after the completion of a transaction is in violation of this section and is subject to a civil penalty up to \$1,000 per violation. A local or state law enforcement agency, a county attorney, or the attorney general may bring an action in any court or competent jurisdiction to enforce this section.
- The Director of Transportation shall incorporate by reference the NMVTIS provisions prescribed in 28 FCR 25-B and a peace officer may enforce its provisions.
- The seller of material from scrap vehicles shall certify to the purchaser that all scrap vehicles used for the material in the sale have been reported to the Department of Transportation or the NMVTIS.



NEVADA

NV SB 452: Introduced March 27, 2017; Adopted June 5, 2017; Effective June 5, 2017; July 1, 2017 and July 1, 2018

- Authorizes the Department of Motor Vehicles to issue a new Certificate of Title or a state agency to issue a salvage title for a vehicle to a person who is unable to provide a

PROGRAM AREAS: JUNK YARD, SALVAGE YARD, AND INSURANCE CARRIER REPORTING *(Continued)*

Certificate of Title for the vehicle and who files a bond with the Department or state agency. The Department to conduct a search of the history of the vehicle through any national crime information system, including, without limitation, the:

- » National Crime Information Center, as defined in Nevada Revised Statutes 179A.061; and
- » National Motor Vehicle Title Information System of the United States Department of Justice

PROPOSED LEGISLATION:



ILLINOIS

HB 5159: Introduced February 15, 2018

- Provides that the Secretary of State shall establish or adopt an electronic system to allow an automotive recycler, scrap processor, repairer, or rebuilder to submit a report of any transaction that involves a vehicle or vehicle part to the Secretary of State and complete a real-time inquiry to verify that a vehicle or vehicle part has not been stolen.
- Provides that the Secretary shall forward the report to the National Motor Vehicle Title Information System within two business days of its receipt.

SB 3260: Introduced February 16, 2018

- Provides that the Secretary of State shall establish or adopt an electronic system to allow an automotive recycler, scrap processor, repairer, or rebuilder to submit a report of any transaction that involves a vehicle or vehicle part to the Secretary of State and complete a real-time inquiry to verify that a vehicle or vehicle part has not been stolen.
- Provides that the Secretary shall forward the report to the National Motor Vehicle Title Information System within two business days of its receipt.



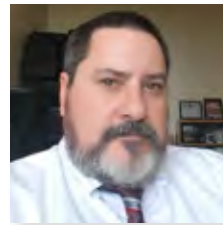
MISSISSIPPI

SB 2517: Introduced January 17, 2018

- Removes the provision that authorizes a vehicle that is at least ten model years old to be transferred without a Certificate of Title to a licensed used motor vehicle parts dealer or scrap metal processor if the owner signs a statement swearing that he or she has lost the Certificate of Title to the vehicle or returned the Certificate of Title to the Department of Revenue.
- Establishes certain NMVTIS reporting requirements.

“NMVTIS has provided the department with an additional resource to protect our consumers from fraudulent activities and to assist in ensuring that the vehicles operated on the highways are not vehicles that would not be authorized for operation in other jurisdictions due to safety concerns or damage levels.”

LARRY WYMAN
Chief Investigator, Division
of Field Investigations,
New York State Division
of Motor Vehicles



BENEFITS

Helps Prevent Fraud and Theft, and Helps Protect Consumers from Unsafe Vehicles

By capturing VINs of vehicles that are deemed junk, salvage, or insurance total loss, NMVTIS serves to help prevent fraud and theft and also helps protect families from unsafe vehicles. States and law enforcement rely on NMVTIS data to obtain full vehicle life cycle histories.

COMPLIANCE EFFORTS

Throughout the reporting period, BJA continued to monitor and respond to inquiries concerning a range of compliance issues. In connection with these efforts, toward the end of the reporting period BJA was exploring options for taking compliance action including the issuing of non-compliance notification letters to entities identified as having significant reporting failures. Any compliance action will occur in the next reporting period.

To clarify the inventories of reporting entities and to assist law enforcement agencies in their investigative efforts, BJA approved a new form and supporting document to be added to the Law Enforcement Access Tool (LEAT). The Declaration of Junk/Salvage Inventory form enables law enforcement to obtain a statement from the junk or salvage yard that recorded inventory meets the NMVTIS reporting requirements. BJA also implemented a document to help law enforcement entities develop evidence to substantiate facts for submitting non-reporting cases to DOJ for potential civil enforcement actions.

A new process was also initiated to expand law enforcement's single ID search capability within the JSI program. In response to the volume of flood-damaged vehicles impacted by Hurricane Florence, BJA issued a national [press release](#) to inform the public of the value of obtaining NMVTIS Vehicle History Reports and provided the link to obtaining such reports.

“NMVTIS assists staff with a second set of eyes to identify brands. It surely is a wonderful tool that will identify brands placed on previously issued titles if one state misses a brand and issues a clean title. The new title will be branded thanks to the history of brands on NMVTIS.”

PRISCILLA VAUGHAN
Bureau Chief, New Hampshire
Bureau of Title and Anti-Theft



Consumer Access Program

Steady Growth in Transactions The Anti Car Theft Act allows both businesses and individual consumers to query NMVTIS while investigating used cars they are considering for purchase.

During the previous report period the Consumer Access Program experienced the highest volume to date, with 23,721,693 transactions. During the current period, transactions reset to more normal volumes (see Figure 26). The comparison (see Figure 27) illustrates the adjustments from FY2017 to FY2018, with FY2018 being more consistent with the FY2016 trend line. The transaction volume in this reporting period is attributed primarily to three factors: 1) overall volume increase across existing Approved NMVTIS Data Providers (Providers); 2) addition of two new Providers; and 3) NMVTIS data being used in new commercial solutions.

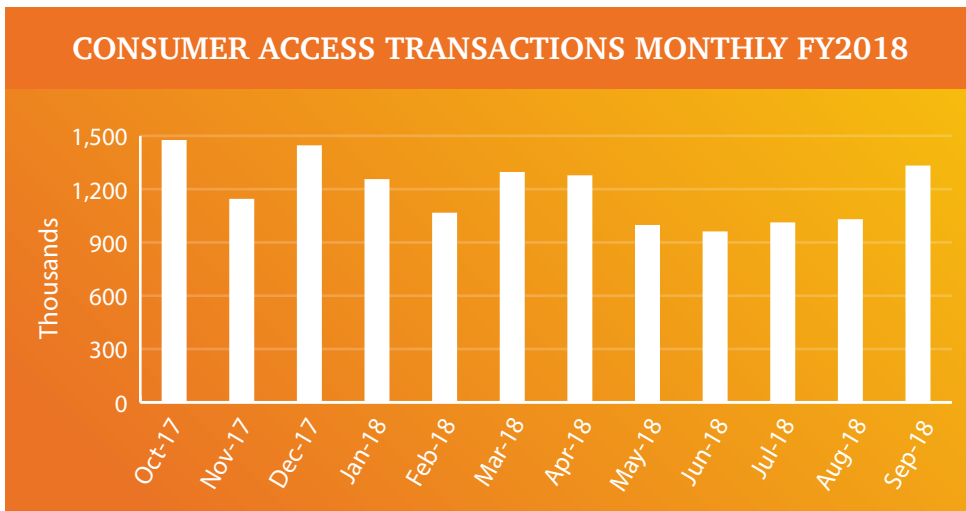


Figure 26

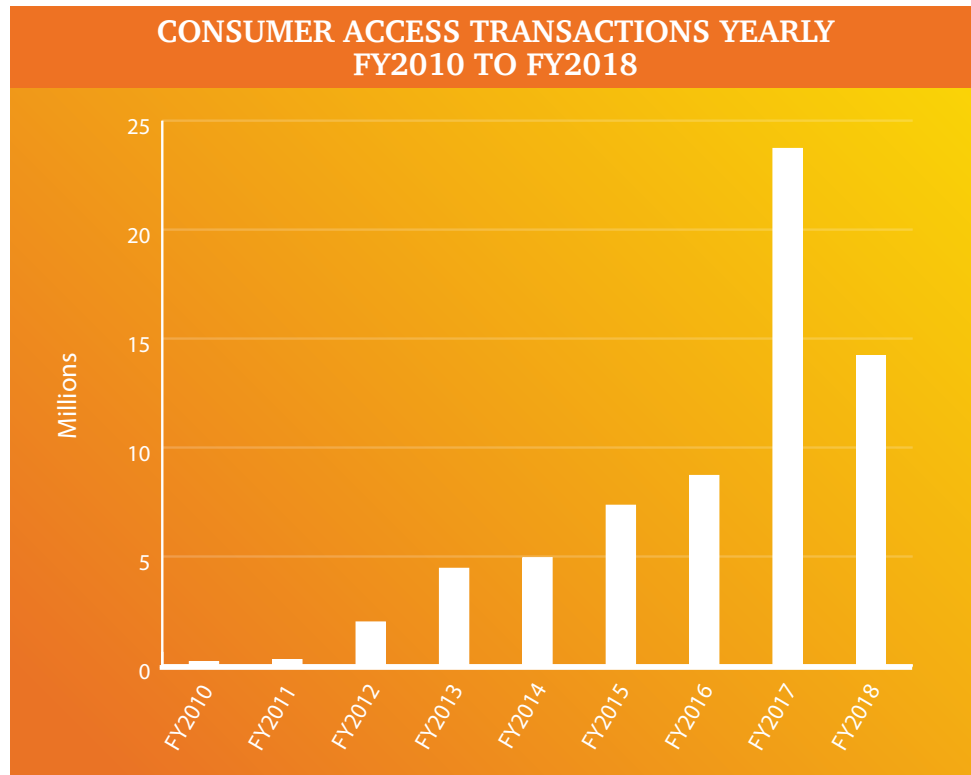


Figure 27

Approved NMVTIS Data Providers At the end of FY2017, two new companies began system development to become Providers. During this reporting period, one company terminated system development, while the other continued toward completion. At the end of this reporting period, there remained 12 existing Providers; one new Provider completed development at the end of the period and is expected to go into production during the next reporting period.

The 12 Providers continued to offer NMVTIS Vehicle History Reports to the public, including individual and commercial users. Nine of the 12 Providers supported individual as well as commercial consumers, such as motor vehicle dealers and insurers. The remaining three provided NMVTIS information to their dealer customers primarily in the state of California in support of AB 1215, as well as other dealer customers nationwide. At the end of the report period, work was completed on a public awareness video based on a recommendation from the NMVTIS Advisory Board. Planning for roll-out of the video will occur in FY2019.

Providers continued to explore opportunities to expand NMVTIS data use in new markets and promote new uses for NMVTIS information.

OTHER**Inter-Country Access To NMVTIS:**

During the last reporting period, three countries (United Arab Emirates, New Zealand, and Germany) expressed interested in gaining access to NMVTIS data to verify used vehicles being imported into their countries. These requests were placed on hold pending the review of the practice. AAMVA conducted a policy review and developed a strategy based on the intended end use of the data. The final policy refers all non-U.S.-based entities (with the exception of Canadian governmental entities) to existing Providers for access to NMVTIS data. This policy was shared with DOJ, the Providers and other interested parties. Following implementation of the new policy, a review of an agreement with Costa Rica was conducted. Considering Costa Rica had not processed any inquiries during the reporting period, AAMVA advised the Costa Rican federal agency of the new policy and terminated the agreement with Costa Rica.

In addition to this new policy, changes were also made to eligibility requirements for companies applying to become Providers. The requirements were enhanced to ensure applicants are based in the U.S. and process the NMVTIS data on servers in the U.S. As of the end of the reporting period, there were no consumer access agreements with non-US-based companies.

California Department of Motor Vehicles:

During the FY2014 reporting period, the California Department of Motor Vehicles updated its website with a link to “Look Before You Buy.” This link includes information about NMVTIS and the importance of checking a VIN through the federal system before buying a vehicle. The “Look Before You Buy” web page has had significant increases in views since its inception. This reporting period had 146,909 views, an increase of 28% over FY2017, and 454% over FY2015 (the first period in which statistics were captured). The department also provides a separate link for consumers to request a NMVTIS Vehicle History Report.

Texas Department of Motor Vehicles:

In FY2014, the Texas Department of Motor Vehicles restructured their website to promote greater citizen awareness of the importance of conducting a **“Title Check”** as part of the used-vehicle purchase process. This revamped site included use of social media to communicate the pitfalls of not doing a title check. During this reporting period, the “Don’t Buy a Wreck—Do a Title Check!” video had 11,095 views compared with 10,766 views during the previous reporting period.

“As alleged in the indictment, the defendants profited through obtaining fraudulent titles to used cars in order to peddle salvaged or rebuilt vehicles to unsuspecting buyers.”

RICHARD P. DONOGHUE
United States Attorney, Eastern
District of New York

BENEFITS

System Increases Consumer Protection and Reduces Vehicle Fraud

Consumers can search NMVTIS to discover:

- Information from a vehicle's current title, including the vehicle's brand history.
- The latest reported odometer reading.
- Any determination that the vehicle has been designated as salvage by an insurance company or a self-insuring organization (including those vehicles determined to be a total loss).
- Any reports of the vehicle being transferred or sold to an auto recycler, junk yard, or salvage yard.

Once a vehicle is branded by a state motor vehicle titling agency, that brand becomes a permanent part of the vehicle's NMVTIS record.

Vehicles that incur significant damage are often branded junk or salvage. Without a fully operational NMVTIS, motor vehicles with brands on their titles can, without much difficulty, have their brands "washed." Fraud occurs when these vehicles are presented for sale to unsuspecting consumers without disclosure of their true condition, including brand history. These consumers may pay more than fair market value and may purchase an unsafe vehicle. NMVTIS is effective in greatly reducing (if not eliminating) vehicle fraud, preventing a significant number of crimes and protecting the lives of consumers who might otherwise and unknowingly acquire vehicles that are not safe to operate.

“ Investigators indicate the LEAT version is very user friendly. It is another important tool in our tool box and the results are always put in our case files.”

ED BROYLES

Chief, Bureau of Motorist Services Support, Florida Department of Highway Safety and Motor Vehicles



Law Enforcement Access Program

The number of users of Law Enforcement Access Tool (LEAT) increased 9% from the Last Reporting Period

The NMVTIS LEAT is a distributed federated search tool with the ability to query any VIN-searchable data source in any location as long as access is granted. Two of LEAT's major data sources are the NMVTIS central file and the JSI file, along with other data sources, such as lien data from the National Vehicle Service (NVS), Mexican stolen vehicles from La Oficina Coordinadora de Riesgos Asegurados, S.C. (OCRA), and NICB Counterfeit and Known Clone databases. Users continued to recommend features to enhance the search tool and to expand functionality to further assist law enforcement investigations. In addition to exploring new data sources, the LEAT expanded its users to include non-sworn DMV investigators.

During this reporting period, AAMVA and BJA finalized and executed an amendment to the cooperative agreement authorizing NMVTIS access to the National Crime Information Center (NCIC) Theft File. The system development was completed and NCIC Theft File data became available as part of LEAT. Discussions continue regarding access to Customs and Border Protection (CBP) vehicle export data.

Also during this reporting period, the LEAT program combined several data sources, to include state data provided after many of the recent storms, to create the "Suspected Flood Damage" database. When a VIN is searched against this database the user will be advised if that vehicle was reported as a flood-damaged vehicle and under which natural disaster it was reported.

The number of LEAT users rose 9% from 4,771 in FY2017 to 5,574 users at the end of the current reporting period (see Figure 28). LEAT users, who include law enforcement officers and military investigators from the U.S., and law enforcement personnel in Canada, access LEAT through two secure law enforcement portals: the Regional Information Sharing Systems (RISS) and the FBI's Law Enforcement Enterprise Portal (LEEP). On average, 642 new users have been added annually since FY2011.

“Our non-sworn investigators have used LEAT extensively. In all fraud complaints involving out-of-state titles, the VIN is queried through the system to confirm the other state's valid title. Our investigators have been able to identify vehicles that may have been cloned or titled in other states after they were sold thru towing and storage liens. LEAT has assisted in a motor vehicle title fraud case involving multiple Canadian VIN clones, towing and storage fraud cases, and fraud cases involving Florida bonded titles and out-of-state titles.”

ED BROYLES

Chief, Bureau of Motorist Services Support, Florida Department of Highway Safety and Motor Vehicles



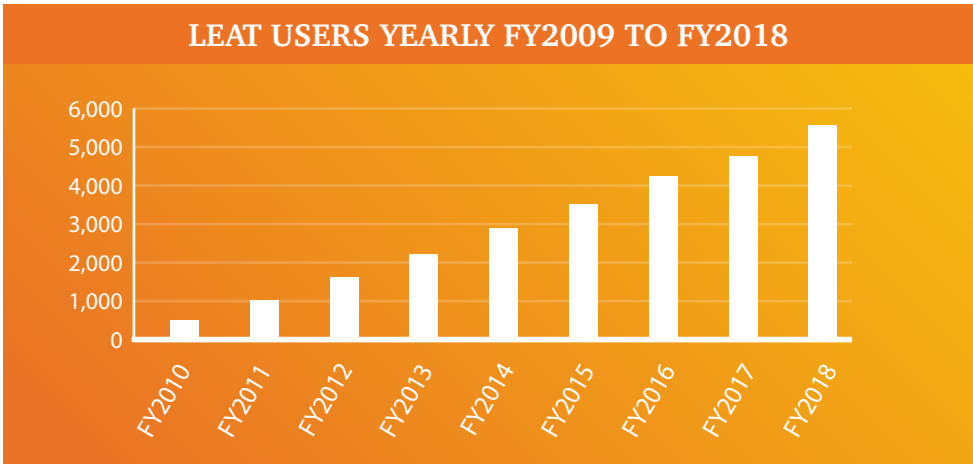


Figure 28

There has been tremendous growth in LEAT inquiries—from 643 in FY2009 to 731,102 in FY2018. More than two million LEAT inquiries have been conducted between inception and FY2018 (see [Figure 29](#)).

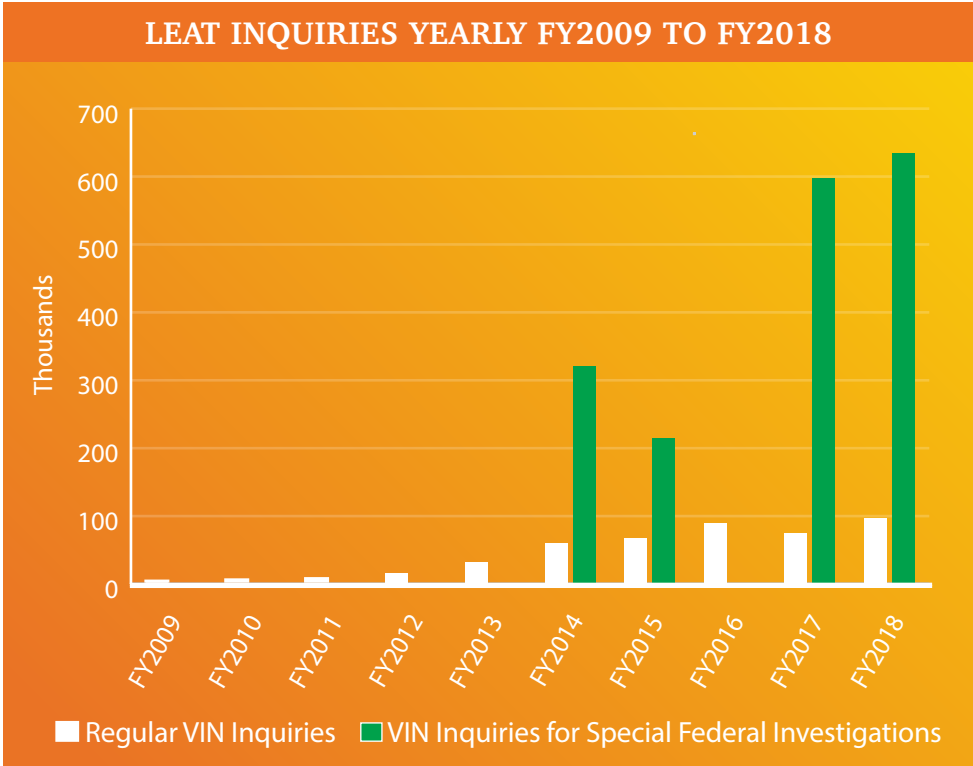


Figure 29

PROGRAM AREAS: LAW ENFORCEMENT ACCESS PROGRAM

(Continued)

LEAT allows users to search as many as five VINs on the initial inquiry page and to perform bulk searches ranging from 6 to 10,000 VINs. In the results from a LEAT bulk search, the user receives a PDF file for each VIN along with Excel spreadsheets summarizing the results, which can be used to assist in analyzing the data.

In FY2018, AAMVA's NMVTIS Law Enforcement Working Group (LEWG), comprised of law enforcement personnel, industry experts, and federal partners, continued to support the increase of usage for the Law Enforcement Access Tool (LEAT). LEWG members provided presentations at AAMVA conferences and various vehicle crime conferences to educate attendees on effective methods of LEAT utilization and to provide case studies in successful use of LEAT. Members also updated and provided the [NMVTIS Law Enforcement & Vehicle Title Investigator Guide](#) to stakeholders to provide information and guidance on NMVTIS reporting requirements and resources within the LEAT program.

During FY2018, DMV Title Fraud Investigators from five states began pilot testing LEAT to determine its application for their work. This testing was intended for DMV investigators who were not sworn law enforcement officers but had the responsibility of investigating vehicle title and related vehicle crimes for their agency. The pilot program was successful and was expanded to other states in the spring of 2018, which led to 217 investigators from 21 states having access to LEAT by the end of FY2018. Those 217 investigators conducted 10,074 searches through LEAT. Access will continue to expand to those jurisdictions requesting LEAT for their non-sworn DMV investigative staff. LEWG continued researching NMVTIS success stories and suggestions for program enhancements that would provide law enforcement officers with updated tools and resources to strengthen their ability to investigate vehicle-related crimes.

FRAUD INVESTIGATION

The New York State Department of Motor Vehicles uses titling system reports to flag situations requiring further review. Monthly reporting on out-of-state titles showed an influx of titles from particular states, signaling possible fraudulent activity. In one case, NMVTIS hits showed a discrepancy with vehicle histories. The criminals purchased badly wrecked collision loss vehicles, submitting fraudulent titles to Delaware and Indiana, then sold stolen retagged vehicles with clean titles in New York, New Jersey and Connecticut. A federal grand jury sitting in New York's Eastern District returned an indictment against three defendants. More than 40 stolen vehicles were recovered.

BENEFITS

NMVTIS Provides Data Helpful to Investigations The NMVTIS Law Enforcement Access Tool provides law enforcement with secure access to information that assists in the investigation of vehicle crimes and other criminal activity. These crimes include vehicle theft and VIN cloning, vehicle finance fraud, vehicle title and brand fraud, and may include violent crimes such as smuggling operations (narcotics, weapons, human trafficking, and currency), and other fraud activities. This access can also assist investigating officers in identifying vehicle theft rings, other criminal enterprises, and vehicles used in other related crimes.

This search tool also allows users to view junk and salvage data being entered by businesses in their state or local jurisdiction. This is an extremely valuable capability for agencies investigating criminal activity related to these businesses.

“Allowing non-sworn DMV Investigators access to the NMVTIS Law Enforcement Access Tool (LEAT) is a no-brainer. Having this access gives the vehicle crimes investigator another tool in their toolbox to combat vehicle crimes.”

CHRISTOPHER T. MCDONOLD
Executive Director, Maryland Vehicle
Theft Prevention Council, Department
of State Police and Chair of NMVTIS
Law Enforcement Working Group



A long-exposure photograph of a city street at night, showing light trails from cars and buildings. The image is used as a background for the text.

Cost Savings

Outreach

Value

Awareness

Outreach and Awareness of NMVTIS

NMVTIS Awareness Efforts Continued Outreach and awareness efforts during the reporting period were focused broadly on the law enforcement community. In addition, AAMVA staff provided regular NMVTIS updates to the AAMVA Board of Directors and to both the NMVTIS Business Rules Working Group and the NMVTIS Law Enforcement Working Group. AAMVA and BJA staff also provided updates at AAMVA regional conferences and at AAMVA's Annual International Conference.

BJA awareness efforts included staff participation in the following:

- NMVTIS Law Enforcement Working Group annual meeting in April
- International Association of Chiefs of Police (IACP) Vehicle Crimes Committee meeting in May

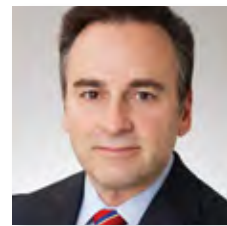
AAMVA hosted 44 webinars to familiarize state agencies with new system tools and features; 210 personnel participated. More information can be found under the [State Program](#) section of this report.

During the FY2015 reporting period, the NMVTIS Advisory Board recommendation that a series of print and/or online advertisements run in three law enforcement publications— American Police Beat, The Police Chief, and Law Enforcement magazines—was funded. Details regarding the print and online ads can be found in [Exhibits](#).

In FY2015, the NAB's recommendation to engage the Public Broadcasting Service (PBS) to develop a "Spotlight On" segment to promote general public awareness of NMVTIS was approved and funded. Procurement for these services was completed during the last reporting period. During this reporting period DOJ and AAMVA staff worked with PBS to finalize the script and complete video and audio production.

“The number of unique total loss records ISO ClaimSearch submitted to AAMVA also continues to trend upwards each year. Our outreach to our members also included educating Third-Party Administrators of the requirement to submit the total losses they are adjusting to be under the respective insurance company's ISO ClaimSearch account.”

CARLOS MARTINS
Vice President & General Manager,
ISO ClaimSearch Solutions



OTHER AREAS *(Continued)*

A detailed listing of ADD, Inc.'s outreach events during this reporting period appears in [Exhibits](#).

FRAUD DETECTION AND REMEDIATION

AAMVA's Fraud Detection and Remediation (FDR) Training Program The FDR training program provides in-depth examples and explanations of security features now in use, and means of identifying them. These training courses are used by jurisdictions in their fight against fraud and are invaluable to any organization that makes use of driver's licenses, ID credentials, or secure documents of any kind. The training program includes the training module, "NMVTIS Investigation Tools," which contains information on how the NMVTIS LEAT functions, what information it contains, and how to gain access.

This was developed during the FY2015 reporting period. All jurisdictions continued to use the FDR program during this report period.

STATE AWARENESS EFFORTS

As of the end of this reporting period, 17 states promoted NMVTIS by posting the following links from their public websites to www.vehiclehistory.gov:

- **Arizona:** <http://www.azdot.gov/mvd/VehicleServices> and http://www.azdot.gov/mvd/VehicleServices/Buying_SellingYourVehicle
- **California:** https://www.dmv.ca.gov/portal/dmv/detail/vr/nmvtis_check
- **Idaho:** <https://itd.idaho.gov/itddmv/>
- **Illinois:** <http://www.cyberdriveillinois.com/departments/vehicles/home.html>
- **Iowa:** <https://www.iowadot.gov/mvd/buyingselling/vehicle-disposal>
- **Maine:** www.maine.gov/sos/bmv/titles/nmvtis.html
- **Missouri:** <http://dor.mo.gov/motorv/nmvtis/>
- **Nebraska:** <https://dmv.nebraska.gov/dvr/mvtitles>
- **Nevada:** <http://dmvnev.com/regprivate.htm>, <http://www.dmvnev.com/floodvehicles.htm> and <http://www.dmvnev.com/insuranceagents.htm>
- **New Hampshire:** <https://www.nh.gov/safety/divisions/dmv/title/anti-theft.htm#nmvtis>
- **New York:** <https://dmv.ny.gov/regulated-businesses/more-business-information>
- **Pennsylvania:** <http://www.dmv.pa.gov/Vehicle-Services/Title-Registration/Pages/nmvtis.aspx>
- **South Dakota:** http://www.dor.sd.gov/motor_vehicles
- **Texas:** <http://www.txdmv.gov/titlecheck>

“The extra benefit we receive from the research capability NMVTIS provides is invaluable in our fight against fraud.”

BETTY JOHNSON
Administrator, Driver and
Vehicle Records Division,
Nebraska Department of
Motor Vehicles



- **Virginia:** <https://www.dmv.virginia.gov/vehicles/#nmvtis.asp>
- **Wisconsin:** <http://wisconsin.gov/Pages/dmv/vehicles/vhcl-rcd-hst/vehicle-history.aspx>
- **Wyoming:** http://www.dot.state.wy.us/home/titles_plates_registration.html

STAKEHOLDER COLLABORATION

The U.S. General Services Administration and AAMVA

An arrangement between the GSA and AAMVA enables GSA's Property Sales Office to apply two types of vehicle brands to federal crash, test/scrap, and salvaged vehicles sold to the public.

During the reporting period, AAMVA worked with GSA to revise their contractual arrangement from a memorandum of understanding to a no-cost contract. AAMVA continued its support and manually applied applicable junk or salvage brands to vehicles on behalf of GSA. To date, 589 vehicles branded by GSA are in NMVTIS (see [Figure 11](#), Brand Records Reported by Brander).

U.S. DEPARTMENT OF HOMELAND SECURITY/ CUSTOMS AND BORDER PATROL INVESTIGATION

A quick run of a license plate of a seized narcotics vehicle showed there was a change of registered ownership six times in six months. The state systems didn't show the ownership history with regular queries. A separate set of queries in NMVTIS requesting ownership on the specific dates revealed a who's who and linked cases that were not previous linked.



Revenue

Funding

Financials

Internal Controls

Financial Reports

Operating Expenditures Totaled \$7,324,464; State User Fees Contributed \$4,884,865; AAMVA Member Funds Totaled \$788,136.

During the FY2018 reporting period, program revenue was comprised largely of consumer access and state user fees.

Under federal law, NMVTIS is intended to be self-sustainable—that is, operated without federal funding. The program earned \$7,111,035 in revenue during this period, which was used to cover \$7,324,464 in operating expenses (see [Figure 30](#)). All financial information presented is derived from an independent financial audit conducted for the fiscal year ended September 30, 2018.

NMVTIS FY2018 INCOME STATEMENT	
Revenue	\$7,111,035
Expenses	\$7,324,464
Operating Margin	(\$213,429)
Other Income/(Expense)	(\$415,711)
Net Temporarily Restricted Revenue*	(\$158,996)
NET LOSS	(\$788,136)

Figure 30

**Generally Accepted Accounting Principles treatment that allows AAMVA to show the deposit and withdrawal of cash from the two NMVTIS bank accounts (Program Income and Operational Funds) on its Income Statement*

NMVTIS REVENUE

NMVTIS funding in FY2018 was derived primarily from State User fees of \$4,884,865 and Consumer Access Program fees of \$3,938,618. During FY2018, 45 states were eligible to receive credits for a share of the income from Consumer Access Program fees, earning a total of \$1,962,444. Through FY2013, these credits were treated as an Other Direct Cost. In FY2014, the system operator's external auditors recommended moving state revenue credits from an expense to a contra revenue account ([see Figure 31](#)).

PROGRAM REVENUE		
Category	Total	%
State User Fees	\$4,884,865	68.7%
Consumer Access	\$3,938,618	55.4%
Other Revenue	\$91,000	1.3%
State Revenue Credits	(\$1,962,444)	-27.6%
Net Revenue Released From Restriction	\$158,996	2.2%
TOTAL	\$7,111,035	100.0%

Figure 31

NMVTIS OPERATING EXPENSES

NMVTIS initiatives and their associated costs have been segmented ([see Figures 32 and 33](#)):

- Support of the day-to-day functioning of the NMVTIS platform represents \$6,999,274 or 95.6% of program costs
- Activities associated with supporting states and Consumer Access Approved NMVTIS Data Providers in their efforts to implement the NMVTIS platform represent \$325,190 or 4.4% of program costs

PROGRAM EXPENSES		
Program Expenses	Total	%
Direct Labor/Fringe	\$3,468,062	47.3%
Data Center/Network	\$731,994	10.0%
Other Direct Costs	\$1,017,641	13.9%
Indirect Costs	\$2,106,768	28.8%
TOTAL	\$7,324,464	100.0%

Figure 32

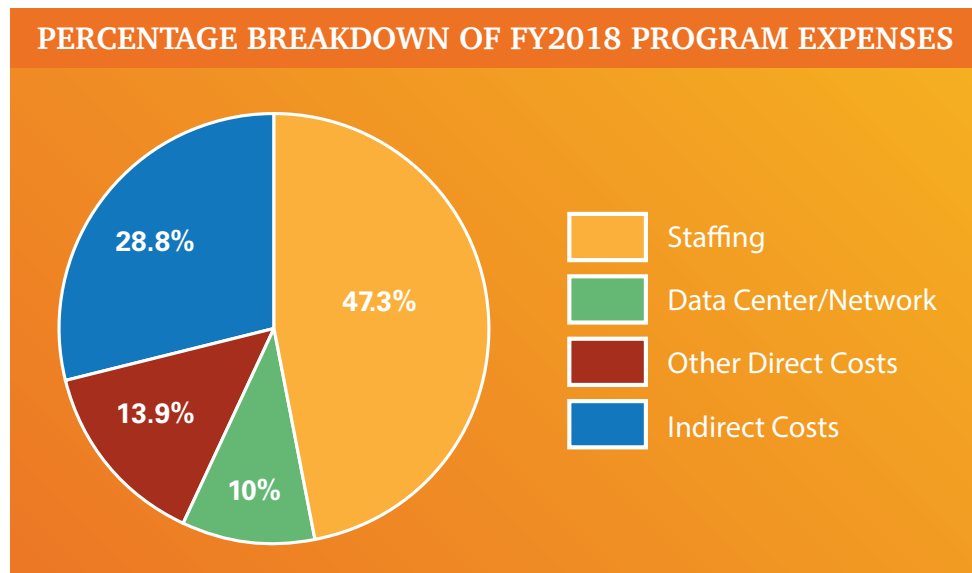


Figure 33



Milestones

Sustainability

**Looking
Ahead**

Compliance

Looking Ahead

AAMVA/DOJ Negotiate a Revised Cooperative Agreement beyond FY2019; Plans to Modernize the System Are Underway; States Contribute the Same Percentage as in FY2018 Toward System Operating Costs; Two New Approved NMVTIS Data Providers Join the Consumer Access Program

Revised AAMVA/DOJ Cooperative Agreement

The current cooperative agreement will expire December 31, 2019. The four years under the current agreement have provided AAMVA and DOJ better insight into system revenues and expenses; the degree of oversight and monitoring; as well as opportunities for growth and expansion. The experience has established AAMVA as a trusted partner for DOJ and NMVTIS. The current cooperative agreement is expected to be extended with AAMVA as system operator.

System Modernization Activities Begin

In FY2014, AAMVA's Board of Directors set aside AAMVA member funds toward future modernization of the system. As part of the FY2019 Operation Plan and Budget, the AAMVA Board approved spending a portion of the funds to plan system modernization. The Board's decision to begin funding system modernization assumes AAMVA would continue in its role as system operator under a new cooperative agreement.

Financial Sustainability

Under the terms of the cooperative agreement, financial sustainability must be attained in FY2019. The FY2019 Operation Plan and Budget projected a slight deficit. However, as the final plan and budget were being prepared the definition of financial sustainability under the current agreement was identified as a matter for further discussion with DOJ in the coming period. The factors contributing to financial sustainability are: 1) the continued commitment of AAMVA membership to support an increasing percentage of system operating costs; 2) growth of Consumer Access Program revenue; and 3) enhanced compliance. Financial sustainability beyond FY2019 will be the focus for further discussion and analysis among the parties.

Compliance

Data reporting (by states and other reporting entities) and use of NMVTIS data (by states, law enforcement, and consumers) remain the core of continued success of the system. During the reporting period, the first round of the State Funding Program was successfully completed with North Carolina's full compliance in July. The District of Columbia, Kansas, and Oregon are expected to become fully compliant during FY2019. Additionally, AAMVA and DOJ agreed to offer a second round of funding for the remaining states. Notification of the

second funding opportunity for the remaining states (Hawaii, Idaho, Maryland, Massachusetts, Tennessee, and Vermont) was issued near the end of the reporting period. Depending on the states' responses to the opportunity, the system could be even closer to the 100% full participation during the next reporting period.

Additionally, AAMVA's plan for modernizing the system underscores state motor vehicle agencies' support for continued operational development and enhancement of the system. This shift firmly positions NMVTIS as the core title information resource for states.

During this reporting period, the number of JSI records being reported annually was higher than the annual average of 15 million attributed to the series of flooding events. Whether this means NMVTIS has attained maximum practical compliance remains to be determined. State legislation addressing junk and salvage reporting introduced or adopted during this reporting period was less than prior periods. Greater involvement of state and local law enforcement in JSI reporting compliance has been identified by the Law Enforcement Working Group as an area for further discussion. The opportunity to bolster DOJ's JSI reporting responsibilities would have local impact which may result in greater and more complete reporting by all required entities.

States' Use of Junk, Salvage and Insurance (Total Loss) Information

AAMVA will continue work with states to evaluate the best approach to assist them in working with their junk and salvage businesses to report required JSI data to NMVTIS.

Overall, the coming year will be exciting as AAMVA, serving as the system operator, moves into what is anticipated to be a long-term and stable contractual arrangement with DOJ. The opportunity to take advantage of new technical approaches to operating and managing the system is significant, and planning for a modernized system will get underway.

LAW ENFORCEMENT OUTREACH

California Highway Patrol (CHP) provided presentations regarding NMVTIS at the following training:

- Six Peace Officer Standards and Training Certified Vehicle Theft Investigators Courses (26 students per class)
- Two CHP-sponsored Vehicle Identification Number Courses (30 students per class)
- One CHP Investigative Services Unit Coordinators Meeting (50 students)
- Twenty-seven new NMVTIS users added by CHP within its investigative units

(Each event involved a mix of oral presentation with video presentation and/or literature provided)

In 2019, the same training is scheduled, plus one additional VIN class, and one Salvage Vehicle Inspection Program Course (40 students).

SECTION 6: NMVTIS MILESTONES

- NMVTIS Legislation
- Validation Reports
- Program Activity



Funding

1996	1997	1998	1999-2000	2003	2004	2007
DOT awards initial grants to states to develop NMVTIS	BJA awards grants to states to develop NMVTIS	BJA awards grants to states and AAMVA to develop NMVTIS	BJA awards grants to states and AAMVA	BJA awards grants to states and AAMVA	BJA awards grants to states and AAMVA	BJA awards grants to states and AAMVA



2008
BJA awards grants to one state and AAMVA

2009
BJA awards grants to states and AAMVA

2010
BJA awards grants to states and AAMVA

2011
BJA awards grants to states and AAMVA

2018
BJA and AAMVA award funding to states

EXHIBIT 1: KEY DIRECTIVES TO GUIDE REVISION OF COOPERATIVE AGREEMENT WITH DOJ

As discussed in the [Message from the NMVTIS Operator](#), in preparation for the end of the final year under the current cooperative agreement, the AAMVA Board of Directors established a number of key directives to guide the proposed revision of the agreement. These directives included:

- Establish a longer timeframe for AAMVA to function as system operator.
- Establish intellectual property rights following current and future modernization efforts.
- Affirm the collaborative approach with DOJ and stakeholders to system development and enhancement efforts.
- Simplify and streamline the operational aspects of the agreement to reflect experience gained in previous years.
- Ensure security and privacy requirements are subject to regular review/update.
- Guarantee entities providing data into NMVTIS remain the owners of the data.
- Establish flexibility to balance user fees paid by participating jurisdictions, prospective purchasers, and other persons/organizations.

EXHIBIT 2: SPECIFIC SERVICES PROVIDED BY THE NMVTIS OPERATOR:

Specific to state agencies, the operator must:

- Make available at least two methods of verifying title information using NMVTIS.
- Enable states to share in NMVTIS all information obtained on a specific vehicle.
- Provide states with the greatest amount of flexibility in such things as data standards, mapping, and connection methods.

Specific to law enforcement, the operator must:

- Ensure state and local law enforcement agencies have access to all title, brand, and junk, salvage and insurance information in or available through NMVTIS through a VIN search, including limited personal information collected by NMVTIS.
- Allow law enforcement agencies to make inquiries on the vehicles that JSI entities reported to NMVTIS.

Specific to consumer access, the operator must:

- Ensure a means exists to allow insurers and prospective purchasers to access NMVTIS information, including information regarding title history (if the state participates in NMVTIS), brands, insurance, junk and salvage history, and odometer readings. Such access shall be provided to individual consumers in a single-VIN search and to commercial consumers in a single- or batch-VIN search with multiple VINs.

Further, the operator must:

- Establish and at least annually collect user fees from the states and other users of NMVTIS data to pay for its operation.
- Not release any personally identifiable information to any entity other than states and law enforcement.
- Maintain a privacy policy that describes the uses and disclosures of such personally identifiable information. AAMVA further agrees to utilize appropriate security measures, such as encryption, if it transmits personally identifiable information over the Internet, and to limit access to such information only to those with legitimate need.
- Ensure NMVTIS and its various methods of access meet or exceed technology industry security standards—most notably any relevant Global Justice Information Sharing Initiative standards and recommendations.
- When applicable, use the National Information Exchange Model or any successor information-sharing model for all new information exchanges. DOJ may require the operator to use web services for all new data exchanges with NMVTIS.
- Prepare an annual report describing the performance of the system during the preceding year, including a detailed report of NMVTIS expenses and all revenues received as a result of operation.
- Procure an independent financial audit of NMVTIS expenses and revenues during the preceding year.
- Support the maintenance of a publicly available, regularly updated listing of all junk, salvage and insurance (total loss) entities reporting to NMVTIS.

EXHIBIT 3: STATE PROGRAM TITLE VERIFICATION AND DATA REPORTING

It is important to note that while each state is required to perform a verification check on an out-of-state vehicle before issuing a Certificate of Title, neither the Anti Car Theft Act nor its implementing regulations require states to change the way they handle vehicle branding or other titling decisions. In the inquiry process, the laws of the new state of title will determine the status of the vehicle (e.g., branding or title type) and states are not required to take any action based on data accessed. The information received from NMVTIS should be used to identify inconsistencies, errors, or other issues, so entities and individuals may pursue state procedures and policies for their resolution. Because NMVTIS can detect and prevent many types of fraud beyond simple brand washing, states are encouraged to use NMVTIS whenever possible for verification of all transactions, including in-state title transactions, dealer reassignments, lender and dealer verifications, updates, corrections, and other title transactions.

Data Required for State Reporting:

- An automobile's VIN
- Any description of the automobile included on the Certificate of Title, including all brand information
- The name of the individual or entity to whom the title certificate was issued
- Information from junk or salvage yard operators, or insurance carriers, regarding their acquisition of junk automobiles or salvage automobiles, if this information is collected by the state

The Anti Car Theft Act also requires the operator of NMVTIS to make available the odometer mileage that is disclosed pursuant to 49 U.S.C. 32705 on the date the Certificate of Title was issued and any later mileage information, if it is in the state's title record for that vehicle. Accordingly, the rule requires states to provide such mileage information to NMVTIS.

States shall provide new title information and any updated title information to NMVTIS at least once every 24 hours. In addition, with the approval of DOJ, the operator, and the state, the rule will allow the state to provide any other information that is included on a Certificate of Title or maintained by the state relating to the Certificate of Title.

Title Verification and Reporting of Data—Two Approaches:

The architecture of NMVTIS was designed with input from the states. Flexibility for states to meet the requirements of the NMVTIS Final Rule has led some states to develop a batch data processing model first, then migrate to an online integrated approach. Others have moved directly to an online integrated approach. The decision appears to be a factor of time, funding, and opportunity. The NMVTIS Final Rule does not stipulate which approach a state must take to meet its requirements. Following are descriptions of the two approaches.

1. Online Integrated

This is the optimal approach, as it enables the state to truly integrate the NMVTIS application into its titling application, making title verification and reporting of data nearly seamless to the user. The integrated approach is comprehensive and impacts almost all of a state's titling processes. As a result, it is typically implemented when a state is planning to rewrite its titling application. This approach tends to require more time to develop and implement, as both state and system operator's resources must fully understand NMVTIS system requirements, as well as state processes, to ensure they are mapped correctly and appropriate procedures are put into place. This approach is cost-effective in the long run as the integration of the NMVTIS process into the state titling system reduces the manual processing required with the standalone approach (described below). In addition, the tight integration of the NMVTIS process into the state titling process provides assurance verifications are done consistently and resulting title updates are done in a timely and accurate fashion.

- **Provision of Data:** As part of the state onboarding process, a snapshot of state title and brand data is provided to AAMVA. Next, the title and brand data is loaded into NMVTIS. From that point forward, states with fully integrated access to NMVTIS have their title transaction updates sent to NMVTIS in real time. Additionally, these states receive real-time notifications through NMVTIS when a vehicle from their state is retitled in another compliant state. A state can also build the help desk tools required to support title data corrections.
- **Title Verification:** The online integrated approach provides access to NMVTIS central file data (VIN Pointer, Brand, and JSI) stored by AAMVA, as well as theft file data and detailed vehicle data stored by the state.

2. Batch Data Processing Approach

This approach is generally less complex and costly to develop and implement than the integrated approach, since it does not require full integration of all of a state's titling applications. However, it still requires state and system operator's resources to fully understand the NMVTIS requirements and state processes to ensure vehicle types and brands are mapped correctly and appropriate procedures are put into place. This is a short-term approach geared toward states with limited IT resources, and allows a state to implement NMVTIS in a relatively brief period. Lack of full online integration between the central site and the state titling system may make

this approach more prone to data entry errors and may increase the time at the counter to process manual inquiries. The increase in processing time translates into increased operating costs for the states.

- **Provision of Data:** State title and brand data is typically transmitted in an initial load via a Secure File Transfer Protocol process to NMVTIS. States without integrated access to NMVTIS can provide data updates in batch upload files. States are required to do this on a daily basis.
- **Title Verification:** AAMVA provides two solutions for batch states to perform title verification: 1) State Web Interface (SWI); and 2) State Batch Inquiry (SBI). SWI allows a state to conduct a single VIN inquiry into NMVTIS; the response includes data from NMVTIS central files (VIN Pointer, Brand, and JSI), theft data and detailed state vehicle data. SBI allows a state to submit a file of VINs to NMVTIS; the response includes data from NMVTIS central files (VIN Pointer, Brand, and JSI).

EXHIBIT 4: PRINT AND BANNER ADS IN LAW ENFORCEMENT PUBLICATIONS

As discussed in the [Outreach and Awareness](#) section, a half-page print advertisement (below) promoting the availability of the NMVTIS Law Enforcement Access Tool was published in FY2016 in *American Police Beat* magazine as well as in the *Police* magazine. It is included here for reference purposes.

National Motor Vehicle Title Information System

A Proven Reliable Database for Law Enforcement Vehicle Investigations

The National Motor Vehicle Title Information System (NMVTIS) Database assists investigators with:

- Auto Theft Investigations
- Smuggling (weapons, drugs, etc.)
- Insurance and Title Fraud
- Odometer Tampering and Rollbacks
- Identity Theft
- Salvage, Junkyard, Dealership Investigations

NMVTIS Law Enforcement Access Tool (LEAT) provides investigators with a report that includes the Junk, Salvage, and Insurer Database; NICB Clone Database; NICB Counterfeit Database; NICB Flood Damage Database; Mexico Stolen Vehicle Database; USDOT Dealer Rebate Program; brand information; National Vehicle Service; JSI information; a VIN analyzer; a comprehensive title history from each state; and more.

NO COST to law enforcement
The U.S. Department of Justice offers the NMVTIS database at no cost to law enforcement agencies.

For More Information
E-mail NMVTIS@usdoj.gov
NMVTIS Web site www.vehiclehistory.gov

www.vehiclehistory.gov

A website banner ad was also placed during FY2016 on the websites of those publications as well as on the site for *Police Chief* magazine. In the previous reporting period, the online banner advertisements continued to run on the *Police Chief* and *Police* magazines' websites.

www.vehiclehistory.gov

National Motor Vehicle Title Information System

A proven reliable database for law enforcement vehicle investigations

EXHIBIT 5: AUTO DATA DIRECT, INC. OUTREACH AND AWARENESS EVENTS

DATE	VENUE & FOCUS	LOCATION
October 2017	Florida Independent Automobile Dealers Association Convention – Consumer Access	Orlando, FL
	Independent Automobile Dealers Association of California / Northern California auction visits – Consumer Access	Stateline, NV
	National Alliance of Buy Here Dealers Convention – Consumer Access	Orlando, FL
November 2017	Automotive Recycling Association Convention – Consumer Access and JSI	Dallas, TX
	National Remarketing Conference and National Auto Auction Association – Consumer Access	La Quinta, CA
	Florida Autonomous Vehicle Summit – Consumer Access	Tampa, FL
	Tax Assessor Collectors Association – Consumer Access	San Marcos, TX
	Baltimore Tow Show – Consumer Access and JSI	Baltimore, MD
January 2018	Florida Auto Theft Intelligence Unit - Consumer Access	Ocala, FL
	Florida Independent Auto Dealers Association Town Hall Meeting and Board of Directors Meeting – Consumer Access	Palm Beach Gardens, FL
	Florida Tax Collector Assessor Spring Training – Consumer Access	Orlando, FL
	Florida Association of Licensed Investigators Continuing Education – Consumer Access	Tallahassee, FL
	National Independent Automobile Dealers Association Conference – Consumer Access	Dallas, TX
February 2018	Automotive Industry Center for Excellence – Consumer Access	DeFuniak Springs, FL Pensacola, FL Panama City, FL

DATE	VENUE & FOCUS	LOCATION
March 2018	Automotive Industry Center for Excellence – Consumer Access	Lakeland, FL Altamonte Springs, FL Ft. Lauderdale, FL West Palm Beach, FL
	National Automobile Dealers Association – Consumer Access	Las Vegas, FL
April 2018	Florida Tow Show – Consumer Access	Orlando, FL
	United Recyclers Group Training – Consumer Access	Orlando, FL
	Digital Dealer Conference and Expo – Consumer Access	Orlando, FL
	Automotive Industry Center for Excellence – Consumer Access	Oldsmar, FL Sarasota, FL
	Florida Independent Auto Dealers Association Town Hall Meeting and Board of Directors Meeting – Consumer Access	Tampa, FL
	Institute of Scrap Recycling Industries – Consumer Access and JSI	Las Vegas, NV
	Automotive Industry Center for Excellence Continued Education Class – Consumer Access	Stuart, FL
	Automotive Industry Center for Excellence – Consumer Access	St. Augustine, FL
	Upper Midwest Auto Recyclers – Consumer Access and JSI	Mounds View, MN
Independent Auto Dealers Association of California Auctions – Consumer Access	Southern CA	
May 2018	Florida Association of Licensed Investigators – Consumer Access	Tampa, FL
	Florida Auto Theft Intelligence Unit Training – Consumer Access and JSI	Jacksonville, FL
	American Towman Tow Show – Consumer Access and JSI	Las Vegas, NV
	Auto Finance Performance & Compliance Summit – Consumer Access	Dallas, TX
	Myrtle Beach Tow Show – Consumer Access and JSI	Myrtle Beach, SC

DATE	VENUE & FOCUS	LOCATION
June 2018	Tax Assessor Collectors Association Conference – Consumer Access	Frisco, TX
	Southeast Credit Union Conference & Exposition – Consumer Access	Orlando, FL
	Florida Insurance Fraud Education Committee – Consumer Access and JSI	Orlando, FL
	National Independent Automobile Dealers Association/Florida Independent Automobile Dealers Association – Consumer Access	Orlando, FL
July 2018	Florida Auto Dismantlers & Recyclers Association – Consumer Access and JSI	Fort Myers, FL
	Tow Summit – Consumer Access and JSI	Nashville, TN
August 2018	International Association of Auto Theft Investigators International Training Seminar – Consumer Access and JSI	Pittsburgh, PA
	NACE Automechanika – Consumer Access and JSI	Atlanta, GA
	Carolinas Independent Automobile Dealers Association – Consumer Access	Myrtle Beach, SC
	Southern Tow Show – Consumer Access and JSI	Orange Beach, GA
	American Towman Tow Expo – Consumer Access and JSI	Dallas, TX
	Automotive Recyclers Association Recycling Summit & Expo – Consumer Access	Indianapolis, IN
	Florida Tax Collector Assessor Fall Education Forum – Consumer Access	Orlando, FL

DATE	VENUE & FOCUS	LOCATION
September 2018	Florida Auto Theft Intelligence Unit – Consumer Access	Fort Myers, FL
	International Association of Special Investigation Units – Consumer Access	Baltimore, MD
	Tennessee Tow Show – Consumer Access and JSI	Chattanooga, TN
	National Association of Motor Vehicle Boards and Commissions Fall Conference – Consumer Access	New Orleans, LA
	National Independent Automobile Dealers Association Leadership Conference – Consumer Access	Washington, DC
	Midwest Regional Tow Show – Consumer Access and JSI	Mason, OH

GLOSSARY

Brand

Brands are labels used to describe the status of a motor vehicle, such as “junk,” “salvage,” or “flood,” which can impact its economic value or safety. State brands and/or vehicle statuses are mapped to NMVTIS brands for consistency within the system.

Cloned Vehicle

A vehicle is “cloned” when a legitimate VIN plate is replicated and placed on a stolen vehicle, making that vehicle appear to have a valid VIN.

Consumer Access Program Transactions

A Consumer Access Program transaction consists of a consumer inquiry followed by purchase of the located NMVTIS record.

DMV

Department of Motor Vehicles (DMV) is the most commonly used term to describe the state agency that administers vehicle registration; however, some jurisdictions use other names (e.g., Bureau of Motor Vehicles, Motor Vehicle Commission).

Junk Yard, Salvage Yard, and Insurance Carrier (JSI) Reporting

The list of industries specifically identified in the regulatory definitions of “junk yard” and “salvage yard” is not exhaustive. If an entity satisfies the definition of a junk yard or salvage yard (i.e., an individual or entity engaged in the business of acquiring or owning junk automobiles or salvage automobiles for resale in their entirety or as spare parts; or rebuilding, restoration, or crushing) and the entity handles five or more junk automobiles or salvage automobiles per year, then the entity has a NMVTIS reporting obligation.

JSI entities are only required to report on automobiles deemed junk or salvage, but may also report on other types of vehicles (e.g. buses) included in NMVTIS as long as they are deemed junk or salvage.

Entities may report the required data elements to the state in which they are located; the state then provides the required information to NMVTIS. Through the FY2018 reporting period, Georgia and Tennessee are the only states to report on behalf of their JSI entities. A reference to a JSI record may reflect multiple reports on the same VIN.

Odometer Reading

NMVTIS contains the odometer reading at the time the vehicle title was issued.

State Participation

“Participating” refers to states that provide data and inquire into NMVTIS before issuing new titles. “Providing Data Only” refers to states that provide data but do not make inquiries into NMVTIS. Forty-five jurisdictions participated at some level during this report period. Five states and the District of Columbia were In Development and had not yet loaded data into the system, as detailed in the [State Program](#) section.

Superseded Title

A title that is no longer valid because a newer one has been issued. (See entry for Texas in [State Program/Benefits](#) section.)

Surety Bond

May be secured in the absence of a valid title. It is purchased by an applicant from an insurance company or bonding agency. The bond, which must be for twice the fair market value of the vehicle, is posted for three years and is returned if no claims are filed during that period. (See entry for Michigan in [State Program/Benefits](#) section.)

SECTION 9: APPENDIX

CORRESPONDENCE

- [BJA Director's Correspondence to NMVTIS Advisory Board \(September 2016\)](#)
- [NMVTIS Advisory Board Correspondence to BJA Director \(June 2016\)](#)

LEGISLATION

- [California Assembly Bill \(AB\) 1215 \(2012\)](#)
- [NMVTIS Final Rule \(2009\)](#)
- [Anti Car Theft Act \(1992\)](#)

NOTICES

- [BJA Offers NMVTIS as a Resource for Hurricane Florence Flood-Damaged Vehicles \(September 2018\)](#)
- [BJA Notice to Consumers: Buyer Beware: Safety Hazards of Flood-Damaged Vehicles \(September 2017\)](#)
- [BJA Offers NMVTIS as a Resource for Damaged Vehicles from Hurricanes Harvey and Irma \(September 2017\)](#)
- ["Safe Harbor" Provisions for NMVTIS Reporting Entities \(September 2017\)](#)
- [AAMVA Guide: Cars Damaged by Flood Waters – Tips for States \(September 2017\)](#)
- [BJA Notice to JSI Reporting Entities Regarding Flood-Damaged Vehicles and Enforcement \(September 2017\)](#)
- [DOJ Civil Enforcement Program \(May 2016\)](#)
- [BJA Notice to JSI Reporting Entities Regarding Flood-Damaged Vehicles \(November 2015\)](#)
- [NMVTIS Consumer Access Product Disclaimer \(April 2015\) in English and in Spanish, NMVTIS Descargo de producto de acceso al consumidor \(Junio 2012\)](#)
- [BJA Announces - Three States Join the National Motor Vehicle Title Information System \(2014\)](#)
- [California Assembly Bill \(AB\) 1215 - Occupational Licensing Industry News \(2012\)](#)
- [BJA Notice to JSI Reporting Entities Regarding Hurricane Sandy \(2012\)](#)
- [BJA Announces - Private Sector Joins Justice Department in Protecting Consumers from Vehicle Fraud and Unsafe Vehicles \(2012\)](#)
- [NMVTIS Final Penalty Decision Considerations \(2012\)](#)

PRESS

- [Abc4.com - Used Vehicles Are In Big Demand But MVED Says So Are Complaints \(May 2018\)](#)
- [Texas Department of Motor Vehicles – TxDMV Warns Buyers to Beware of Flood-Damaged Vehicles \(May 2018\)](#)
- [Channel 2 News Houston – Investigation into Flood Cars for Sale Attracts National Insurance Crime Bureau \(May 2018\)](#)
- [ARLnow.com – Virginia Officials Warning About Buying Hurricane-Damaged Vehicles \(October 2017\)](#)
- [CarandDriver.com – Thousands of Hurricane-Damaged Cars and Trucks Heading Back to Market \(October 2017\)](#)
- [MoneyGeek.com Blog – Flood Cars Sneaking onto the Market after Hurricanes \(September 2017\)](#)
- [WIRED – Harvey Wrecks up to a Million Cars in Car-Dependent Houston \(September 2017\)](#)
- [Jalopnik – Here’s What Happens to All of the Flooded Cars after Hurricane Harvey \(September 2017\)](#)
- [The New York Times - How to Avoid Buying a Car Flooded by Hurricanes \(September 2017\)](#)
- [USA Today – Harvey May Have Wrecked up to 1M Cars and Trucks \(August 2017\)](#)
- [The New York Times – Car Owners Inundate Insurers with Claims After Hurricane Harvey \(August 2017\)](#)
- [The New York Times – No, Sept. 1 Isn’t Deadline for Hurricane-Damage Claims under New Texas Law \(August 2017\)](#)
- [CBS6News Albany - Is a Flood Damaged Vehicle Sitting in Your Driveway? \(February 2017\)](#)
- [U.S. News & World Report – Car History Report: Which One is Right for You? \(December 2016\)](#)
- [MOVE Magazine - A Look at 20 Years of NMVTIS, DMV Information Systems and Online Customer Service \(December 2016\)](#)
- [Automotive News – How Junk Cars Can Slip Through the Cracks \(2015\)](#)
- [The Police Chief - NMVTIS Law Enforcement Access Tool: A Free Resource for Vehicle-Related Investigations \(2015\)](#)
- [ADD, Inc. Press Release – ADD Partners With Under the Hood Radio Show \(2015\)](#)
- [WUSA Channel 9 - What to Know Before Buying a Salvage Vehicle \(2014\)](#)
- [Cars.com - Storm Surge: Beware of Title-Washed Cars \(2014\)](#)
- [IACP - NMVTIS: Provides Guidance to Hurricane Sandy Victims Buying Vehicles and Assists Vehicle Theft Investigators \(2013\)](#)
- [FBI - Steering Clear of Car Cloning: Some Advice and Solutions \(2009\)](#)
- [FBI - Car Cloning: A New Twist on an Old Crime \(2007\)](#)

REPORTS – FINANCIAL

- [NMVTIS Independent Auditor’s Report for the Period October 1, 2017 – September 30, 2018](#)

REPORTS – GENERAL

- [NMVTIS Annual Report \(2017\)](#)
- [NMVTIS Annual Report \(2016\)](#)
- [NMVTIS Annual Report \(2015\)](#)
- [NMVTIS Annual Report \(2014\)](#)
- [NMVTIS Annual Report \(2013\)](#)
- [NMVTIS Annual Report \(2012\)](#)
- [NMVTIS Annual Report \(2011\)](#)
- [NMVTIS Annual Report \(2010\)](#)
- [NMVTIS Annual Report \(2009\)](#)
- [IJIS Institute Technology Assistance Report \(2006\)](#)
- [LMI Cost-Benefit Analysis Report \(2001\)](#)
- [NMVTIS Pilot Evaluation Report \(2000\)](#)

RESOURCES

- [NMVTIS: Law Enforcement & Vehicle Title Investigator Guide \(Rev. 2018\)](#)
- [NMVTIS: Working for States Video \(2018\)](#)
- [NMVTIS: Working for States Brochure \(Rev. 2018\)](#)
- [NMVTIS Vehicle History for Consumers Brochure \(Rev. 2018; formerly entitled Don’t Be Fooled Brochure\)](#)
- [NMVTIS: Help Prevent Crime Brochure \(Rev. 2018\)](#)
- [NMVTIS Best Practices for Title and Registration Program Managers - Edition 3 \(2016\)](#)
- [Texas DMV Consumer Awareness Video - Don’t Buy a Wreck, Do a Title Check! \(2014\)](#)

WEBSITES

- [AAMVA NMVTIS Website](#)
- [DOJ NMVTIS Website](#)

ACRONYMS

AAMVA – American Association of Motor Vehicle Administrators
ADD – Auto Data Direct, Inc.
BJA – Bureau of Justice Assistance
BRWG - Business Rules Working Group
DMV – Department of Motor Vehicles
DOJ – (U.S.) Department of Justice
DOR – Department of Revenue
DOT – (U.S.) Department of Transportation
FBI – Federal Bureau of Investigation
FHWA – Federal Highway Administration
GSA – (U.S.) General Services Administration
IAATI – International Association of Auto Theft Investigators
IACP – International Association of Chiefs of Police
IJIS – Integrated Justice Information Systems
ISO – ISO ClaimSearch Solutions
JSI – Junk, Salvage, and Insurance
LE – Law Enforcement
LEAT – Law Enforcement Access Tool
LEEP – Law Enforcement Enterprise Portal
LEWG – Law Enforcement Working Group
NAB – NMVTIS Advisory Board
NADA – National Automobile Dealers Association
NAEC – North American Export Committee
NCIC – National Crime Information Center
NHTSA – National Highway Traffic Safety Administration
NIADA – National Independent Automobile Dealers Association
NICB – National Insurance Crime Bureau
NMVTIS – National Motor Vehicle Title Information System
NOTFEA - National Odometer and Title Fraud Enforcement Association
NSA – National Sheriffs' Association
NSVRP – National Salvage Vehicle Reporting Program
RISS – Regional Information Sharing System
SWI – State Web Interface
U.S.C. – United States Code
VIN – Vehicle Identification Number


SECTION 11: AAMVA INFORMATIONAL MATERIALS

Are There Penalties for a Business that Does Not Register with NMVTIS or Report as Required?

Yes. Failure to report to NMVTIS as required is punishable by a federal civil penalty of \$1,000 per violation. For example, a failure to report 100 junk or salvage automobiles could result in a civil penalty of up to \$100,000. State civil or criminal penalties may also apply. Check with your state NMVTIS coordinator to learn if your state has applicable laws.

How Do I Report NMVTIS Federal Violations?

Potential nonreporting violations should be submitted to the NMVTIS Enforcement Program Office either by email or through the NMVTIS Law Enforcement Access Tool (LEAT). When possible, please submit the police report and any supporting documents along with the Law Enforcement NMVTIS Violation Report form. This form is available and can be submitted on the NMVTIS LEAT website.



Information to Support an Investigation

This information may assist law enforcement and investigators in conducting a NMVTIS-related investigation. Forms mentioned are available within the NMVTIS LEAT program.

Examples of Substantial Evidence Document

This document explains the types of evidence required by DOJ in order to pursue a federal civil penalty for NMVTIS non-reporting. When a business is alleged to have not reported junk or salvage automobiles to NMVTIS and a referral to DOJ is being considered, the evidence summarized in this document may support a DOJ finding of a violation of NMVTIS reporting requirements.


Declaration of Junk/Salvage Inventory Form

This form is intended to assist in validating that the unreported automobiles satisfy the statutory/regulatory definitions of "junk automobile" or "salvage automobile." This form is useful to validate vehicles that are no longer physically on site, but records demonstrate that the business owner acknowledges that the vehicles in question had been obtained and processed by the business.

Tips to Identify and Investigate NMVTIS Violations


- When checking for state and local business licenses, also confirm if the business has a federal NMVTIS reporting ID number.
- Record VINs of all junk and salvage automobiles on the list. If applicable, obtain copies of VIN inventory records and photos of vehicles for nonreporting referral to DOJ.
- Check VINs through NMVTIS to identify fraudulently titled vehicles.

Law Enforcement & Vehicle Title Investigator Guide



National Motor Vehicle Title Information System (NMVTIS)

www.vehiclehistory.gov



NMVTIS Enforcement Program Contact:

Greg Joy, Policy Advisor
 Bureau of Justice Assistance (BJA)
 NMVTIS Program Office
 810 7th Street, NW
 Washington, DC 20531
 Phone: (202) 514-1969
 Email: Gregory.Joy@usdoj.gov
 ext 3-204

NMVTIS: Law Enforcement & Vehicle Title Investigator Guide

This brochure was developed to provide information and guidance on NMVTIS reporting requirements and resources with the LEAT program.

[Download Brochure](#)

Tips to Optimize Benefits

- Talk with AAMVA about:
 - Participating using the Fully Integrated Online approach.
 - Maintaining NMVTIS data integrity (e.g. data synchronization).
 - Using performance metrics.
 - Applying Best Practices.
 - Using revenue credits to enhance your participation.
- Use NMVTIS for verification of ALL transactions — in-state title transactions, out-of-state title transactions, dealer reassignments, lender and dealer verifications, updates, corrections, and other title transactions.
- Talk with your state law enforcement agencies regarding how to coordinate use of NMVTIS information to best protect your customers and enhance business and investigative processes.
- Encourage your customers to obtain a NMVTIS Vehicle History Report prior to making used car buying decisions by showing the "NMVTIS Vehicle History for Consumers" video to your agency lobby and posting it on your state website.
- Conduct outreach to your state to those businesses required to report vehicles deemed junk, salvage, and insurance total loss to NMVTIS. Consider reinforcing federal NMVTIS requirements with state legislation/regulations for these businesses to report to NMVTIS.

What Types of Vehicles are Reported to NMVTIS?

Automobiles, buses, trucks, motorcycles, motor homes and truck tractors are reported.


Federal and international law enforcement agencies report that auto theft generates funds for organized crime and terrorist activities.

NMVTIS Benefits

Based on the collection of data received through an inquiry into NMVTIS, the state can identify title inaccuracies, errors, or other issues that can be used to determine whether a title presented is valid and whether to issue a new title or if the vehicle is safe for road operation.

Participating states report these benefits:

- Identification of:
 - Stolen and "kiosk" vehicles.
 - Missing vehicle brands.
 - Fraudulent activity (e.g. odometer reading altered on title).
- Vehicle data assisted local and state law enforcement with title fraud and vehicle-related investigations.
- Enhanced customer service (e.g. title discrepancies resolved).
- Efficiencies for motor vehicle agencies (e.g. cost savings due to automated processing).
- 381 days assisted in title process decision-making.

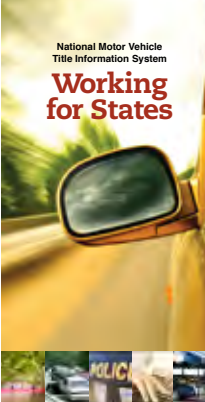
American Association of Motor Vehicle Administrators
 4401 Wilson Boulevard, Suite 700, Arlington, VA 22203
 (703) 522-4200 • titlelink.aamva.org


National Motor Vehicle Title Information System
 810 7th Street, NW, Washington, DC 20531
 (202) 436-3979 • NMVTIS.gov
www.vehiclehistory.gov


The U.S. Department of Justice (DOJ) is responsible for the oversight of the NMVTIS program. The American Association of Motor Vehicle Administrators (AAMVA) operates NMVTIS on behalf of DOJ.

National Motor Vehicle Title Information System

Working for States



NMVTIS



NMVTIS: Working for States

The companion brochure and video were developed to facilitate communication within a state to explain what NMVTIS is designed to do, how a state participates and benefits from it, and how AAMVA can help a state get the most from its participation.

[Download Brochure](#)

[Watch Video](#)

NMVTIS is made available through the U.S. Department of Justice, which is responsible for oversight of the implementation and operation of NMVTIS, and is implemented in partnership with the American Association of Motor Vehicle Administrators.



NMVTIS Vehicle History for Consumers

Are you about to buy a rebuilt wreck or a cloned car?

Check NMVTIS before you buy!

www.vehiclehistory.gov

NMVTIS Program Office
 Bureau of Justice Assistance
 U.S. Department of Justice
 810 7th Street, NW
 Washington, DC 20531



BJA



NMVTIS Vehicle History for Consumers

This brochure was developed to raise awareness regarding the benefits of purchasing a NMVTIS Vehicle History Report. States are encouraged to provide hard copies in their public offices.

[Download Brochure](#)



NMVTIS: Help Prevent Crime

This brochure was developed to help spread the word about NMVTIS reporting requirements to state entities that obtain/buy junk, salvage, and/or total loss vehicles (junk and salvage yards, auto recyclers, etc.).

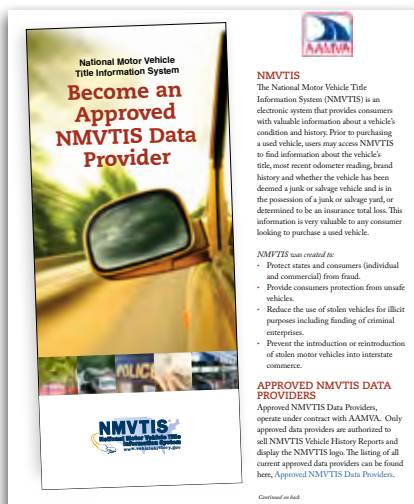
[Download Brochure](#)



NMVTIS Best Practices for Title and Registration Program Managers - Edition 3

Best practices were developed by the NMVTIS Business Rules Working Group to help title and registration program managers align NMVTIS with a jurisdiction's title practices.

[Download Document](#)



Consumer Access: Become an Approved NMVTIS Data Provider

This flyer explains the business model and process to apply to become an Approved NMVTIS Data Provider. Only approved providers are authorized to sell NMVTIS Vehicle History Reports and display the NMVTIS logo.

[Download Flyer](#)



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