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## National Motor Vehicle Title Information System Provides Crucial Support in Combating Vehicle-Related Crime

### Scope of the Problem

Automobile fraud and theft negatively impact public safety and often result in tremendous financial loss to the public. Fraud involving vehicles is a profitable business for criminals and heavily burdens consumers. In 2009, nearly one million vehicles were stolen nationwide at an estimated value of \$5.2 billion, according to the Uniform Crime Report, while consumers and insurance companies lost nearly \$8 billion per year from auto theft, as reported by the National Insurance Crime Bureau.

Criminal investigations have shown that those involved in domestic auto theft enterprises often perpetrate violent crimes, such as homicide, drug trafficking, human trafficking, and terrorism. To help combat vehicle-related crime, the National Motor Vehicle Title Information System (NMVTIS) was created to promote information sharing among state Division of Motor Vehicles (DMVs) as well as federal, tribal, state and local law enforcement personnel. Operational since 2009, NMVTIS is the only national information system that requires junk and salvage industry reporting. The system is designed to protect consumers from fraud and unsafe vehicles and to prevent stolen vehicles from being resold. NMVTIS also assists law enforcement in deterring and preventing title fraud, Vehicle Identification Number (VIN) cloning, and other crimes.

*To date, BJA has over 100 active nonreporting referrals in 23 states. Current enforcement efforts have added over 100,000 previously unreported vehicles to NMVTIS.*

### The Role of NMVTIS

The Anti-Car Theft Act of 1992 established NMVTIS as a national information system enabling states and others to access automobile titling information. The U.S. Department of Justice (DOJ) has had responsibility for the oversight and operation of NMVTIS since 1996. As part of that role, DOJ's Bureau of Justice Assistance (BJA) is responsible for enforcing civil fines on junk and salvage yards, towing operators, insurance carriers, and others who fail to report on a monthly basis, as required. Failure to report to NMVTIS is punishable by a civil penalty of \$1,000 per violation; therefore, a failure to report 100 junk or salvage automobiles could result in a civil fine of up to \$100,000. All fines collected under NMVTIS are turned over to the U.S. Treasury.

## NMVTIS Enforcement Activities

BJA provides the field with information on NMVTIS reporting requirements, the methods for reporting, and the penalties for non-reporting. BJA is coordinating its efforts with the National Highway Traffic Safety Administration (NHTSA), the Federal Bureau of Investigation (FBI), and state and local law enforcement to identify and investigate NMVTIS reporting violations.

Enforcement efforts include:

- **Outreach** – BJA undertook a major NMVTIS education campaign with mass mailings for the junk/salvage/recycler and insurance industries. In 2010, over 20,000 letters were sent to NMVTIS reporting entities. This was followed by a targeted mailing to auto insurance underwriters across the country. BJA will continue these efforts, including targeted outreach to the towing and used automobile industries, and other sectors that process junk and salvage vehicles.

Regardless of which industry a company may operate, if that company is in the business of owning or acquiring five or more junk or salvage vehicles per year for resale (in their entirety or for spare parts), rebuilding, restoration, or crushing, it is required to report to NMVTIS.

- **Site Visits** – On-site inspections of junk/salvage/recycler facilities have occurred in Delaware, Maryland, New Jersey, New York, Pennsylvania, and Virginia. In addition, BJA continues to coordinate with NHTSA inspectors from across the country to facilitate enforcement of NMVTIS reporting in all 50 states.
- **Office-based Monitoring** – NMVTIS records are regularly monitored to identify nonreporting entities. This includes reviewing auction and insurance industry submissions to determine which businesses have not submitted timely reports. Once identified, nonreporting businesses are contacted by phone and a 30-day nonreporting notice is mailed. If the required NMVTIS entries are not made in a timely manner, civil penalties are pursued. ***To date, nonreporting notices have been sent to businesses in 30 states and these efforts resulted in approximately 100,000 additional vehicles being reported to NMVTIS.***
- **Nonreporting Referrals** – A nonreporting referral process has been developed to enable the general public to use the NMVTIS web site to send confidential e-mails concerning nonreporting companies. Referrals are reviewed and, if necessary, appropriate follow up enforcement actions taken. ***To date, BJA has over 100 active referrals in 23 states.***

Any member of the public, who wishes to notify DOJ of an entity that is not currently reporting, can e-mail [nmvtis@usdoj.gov](mailto:nmvtis@usdoj.gov) and include "Non-reporting Referral" in the subject line of the message. For answers to general NMVTIS questions, please visit the NMVTIS web site and refer to the Frequently Asked Questions section at [www.nmvtis.gov/nmvtis\\_faq.html](http://www.nmvtis.gov/nmvtis_faq.html).

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