



BJA
Bureau of Justice Assistance
U.S. Department of Justice



**National Motor Vehicle Title Information System (NMVTIS)
ADVISORY BOARD MEETING
Bureau of Justice Assistance
Office of Justice Programs**

Arlington, VA
July 13, 2011

The NMVTIS Advisory Board convened its fourth meeting on July 13, 2011, at the Crystal City Hilton Hotel in Arlington, VA. The following individuals were in attendance:

Chair

Major Greg Terp
Miami-Dade Police Department

Karen Grim
Virginia Department of Motor Vehicles

Designated Federal Official (DFO)

Alissa Huntoon
Bureau of Justice Assistance (BJA)

Van Guillotte
Oklahoma Department of Public Safety (retired)

Advisory Board Members

William Brauch
Iowa Attorney General Office

Jim Irish
INSTAVIN

Bernard Brown
The Brown Law Firm

Lynne Judd
Wisconsin Division of Motor Vehicles

Walt Dartland
Consumer Federation of the Southeast

George March
Regional Information Sharing Systems

Judith Fitzgerald
National Insurance Crime Bureau

Christopher McDonold
International Association of Auto Theft Investigators

Carl Ford
Florida Department of Highway Safety & Motor Vehicles

James Moors
National Automobile Dealers Association

John Giknis
Insurance Services Office, Inc. (ISO)

Kurt Myers
Pennsylvania Safety Administration

Howard Nusbaum
*National Salvage Vehicle Reporting
Program (NSVRP)*
James Owens
CARCO Group, Inc.

Neil Schuster
*American Association of Motor
Vehicle Administrators (AAMVA)*

James Spiller
National Vehicle Service, NFPC

Jerry Sullivan
*American Salvage Pool Association
QCSA Holdings*

Jim Taylor
Auto Data Direct, Inc.

John Van Alst
National Consumer Law Center

Robin Wiener
*Institute of Scrap Recycling
Industries, Inc. (ISRI)*

Michael Wilson
Automotive Recyclers Association

Guest Observers

Robert (Bob) Cox
Auto Data Direct

Dennis Frias
*Consolidated Fraud Group, Oficina
Coordinadora de Riesgos
Asegurados (OCRA)*

Lorraine Friel
NOBEL Systems, Inc.

Peter Foley
American Insurance Association

John Hill
Consultant, The Hill Group, Inc

Mike Lambert
Buddy Automotive Innovations, LLC
Steve Levetan
Pull-A-Part, LLC

James P. Meade
*National White Collar Crime Centre
(NW3C)*

Libby Osher
NSVRP

Bob Passmore
*Property Casualty Insurers
Association of America*

Nancy A. Randall
Hollander, a Solera Company

Patricia Rimo
Consultant/Writer

Mike Robertson,
*North Carolina Division of Motor
Vehicles*

Roger Schroder
*American Recyclers Association
Service Corporation (ARASC)*

James Vogel
Equipment Data Associates (EDA)

Danielle F. Waterfield, Esq.
ISRI

**Bureau of Justice Assistance
(BJA)**

Kim Bright
Todd Brighton
James Burch
Alissa Huntoon

**American Association of Motor
Vehicle Administrators (AAMVA)**

Patrice Aasmo

Vivienne Cameron

Ian Grossman

Philippe Guiot

Keith Kiser

Mekala Joy

Marc Saitta

Nate Schillinger

Welcome Remarks and Introductions

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

Chairman Terp called the meeting to order at approximately 8:30 a.m. He welcomed Board members and extended a particular welcome to new Board member Jim Moors, NADA, adding that he appreciated the participation of Mr. Moors' predecessor, Phillip Brady.

James Burch, Deputy Director, BJA, also welcomed Board members, saying the Board allows the public to learn about NMVTIS and continues to be very important, particularly in light of state and federal budget cuts. BJA needs the Board's help in determining how NMVTIS can be made self-sustaining while still serving those for whom it was intended.

Following introductions, the Chair noted that subcommittees had met on July 12, 2011, and that he was pleased by the good work and cohesion in those groups. He also noted that the Board must prioritize among the many items members wish to accomplish.

The Board approved the March 2011 meeting summary, including added language proposed by Howard Nusbaum.

Status Updates

DOJ Update

Mr. Brighton reviewed several outreach efforts BJA is conducting, including enhanced law enforcement access to the system and a mailing to 15,000 entities who could fall under NMVTIS reporting requirements. In deciding whether an entity should report to NMVTIS, the entity should look at the activities it undertakes rather than simply its industry category, Mr. Brighton said.

NMVTIS System Operator Update

Neil Schuster introduced incoming AAMVA Board Chair Mike Robertson of North Carolina.

Strategic Update

Patrice Aasmo told the attendees about AAMVA's top strategic priorities for NMVTIS; reducing operating costs and increasing program revenue. AAMVA will invest in a system re-engineering, taking the system from a Common Business Oriented Language (COBOL) to a Microsoft.net platform. The re-engineering, which will begin in

September 2011, will have no effect on users or reporting entities. Additionally, it will include more flexibility, realize a savings of 50% or more of the current operating costs of the IBM data center, and take about 12-14 months to complete.

AAMVA had issued a Request For Proposal (RFP) for an independent party to explore NMVTIS marketing opportunities but had decided neither of the two responders were qualified. She also stated that an additional provider, Equipment Data Associates (EDA), would be coming on shortly and rolling out their “RigDig” product. In addition, the AAMVA Board will be making a recommendation on state user fees to the DOJ in September 2011. In response to a question on states’ ability to pay the fees, Ms. Aasmo noted that the AAMVA Board would be considering compliance issues at its next meeting.

Operational Update

Vivienne Cameron presented program highlights since the last Board meeting, including the following AAMVA actions:

- Established a reporting portal to support BJA enforcement efforts
- Developed an application to support New York State’s DMV’s ability to extract junk and salvage industry (JSI) data
- Conducted analysis on state user fees and developed a proposed fee model
- Processed over 16 million inquiries, including over 60,000 consumer access inquiries
- Maintained 99.9% system availability

Board members posed questions concerning the status of the Tennessee and Illinois development efforts, Illinois’ BJA grant, and the application AAMVA developed to support New York’s JSI data extract, including the potential for other states to use such an application and whether it was generating revenue for New York. Discussion ensued about whether New York should help fund the application, and Ms. Cameron clarified that the JSI data would help New York populate NMVTIS, thereby enhancing the system’s value. Other Board members said applications such as the JSI extract could eliminate double reporting (reporting JSI data to the state and to NMVTIS). However, Robin Weiner advocated an option allowing JSI reporting directly to the state, and then having the state report to NMVTIS.

Financial Update

Marc Saitta presented a detailed report on how NMVTIS grant funding is being allocated, noting that 81% of the budget goes toward system operating costs. He also noted that AAMVA has begun investigating other revenue streams potentially attributable to NMVTIS.

Board Member Questions/Comments

Mr. Terp asked Mr. Saitta to discuss AAMVA's use of contractors, and Mr. Saitta outlined AAMVA's efforts to maintain a balance between a full-time work force and outside contractors who have specialized knowledge necessary to run the system.

Mr. Nusbaum praised the clarity and focus of the AAMVA presentations, and Mr. Terp said the financial updates are important.

Outgoing AAMVA Board Chair, Lynne Judd noted that the AAMVA Board's decision to underwrite the cost of moving NMVTIS to a different platform demonstrates AAMVA's support for the system. However, the board believes AAMVA should not be solely responsible for NMVTIS, as the system benefits additional entities. One of the intended recommendations at AAMVA Board August 2011 meeting will be a proposal to BJA on implementing state user fees. She noted the AAMVA board's actions were that of a leadership position that was not necessarily shared with all the members.

BREAK

Presentation: Vehicle Theft and Fraud – Cross Border View

Dennis Frias, Co-Chair, North American Export Committee (NAEC) and California Manager, Oficina Coordinadora de Riesgos Asegurados (OCRA), an organization representing 20 major insurance companies in Mexico, gave a presentation that Mr. Terp said demonstrates the value of NMVTIS to law enforcement, consumers, states, and even the international community. Mr. Frias is responsible for identifying and repatriating vehicles that have been stolen or carjacked in Mexico and smuggled into the United States. He provided examples of several such cases, saying NMVTIS is extremely valuable to law enforcement and other investigative personnel.

He noted that unlike traditional methods of vehicle theft (removing a car from the premises), today's thieves use counterfeit documents, making identity theft, fraudulent purchases from dealerships, fraudulent lien sales, title fraud, and export/import theft much more common occurrences. Organized crime has latched onto these practices, particularly the Mexican cartels. Thus while some law enforcement agencies and states claim their vehicle theft rates have decreased, he noted that they are not counting instances of vehicle fraud using forged documentation.

Mr. Terp highlighted a data point in Mr. Frias's presentation specifically: "Cross-border criminal rings have made a business of selling stolen Mexican cars north of the border over the past decade, helped by a registration process that doesn't typically check for stolen vehicles in Mexico." Mr. Terp noted that the information available to law enforcement as a result of NMVTIS is an important tool for these investigations. He added that trans-national crime also generates much violence.

Presentation: Update on California Bill AB 1215

Rosemary Shahan, President, Consumers for Auto Safety and Reliability (CARS), updated the Board by phone on a California bill that CARS is supporting. The bill requires every licensed dealer in California to conduct a NMVTIS check before offering a used car for sale. If a vehicle appears in NMVTIS under one of three categories, the dealer must post a warning sticker on the car. Industry associations representing new and used car dealers support the bill, but CARFAX and Experian opposed it. The legislation has passed the California Senate Judiciary Committee.

Board Questions/Comments on the Presentations

Concerning the California bill, Mr. Brown commended CARS and the dealers for such a concrete step to support NMVTIS, and Ms. Shahan said she hopes the legislation will become a national model. Mr. Nusbaum was asked to discuss research CARS had requested comparing the effectiveness of reporting in NMVTIS and CARFAX. Mr. Nusbaum reported that in his opinion based upon his research, NMVTIS was found to be more accurate.

Board members actively discussed Mr. Frias's presentation, and Mr. Frias cited the ease with which fraudulent documentation for a vehicle stolen in Mexico is entered into a DMV database, accepted as authentic, and used to initiate a new registration in the U.S. Mr. Terp said the U.S. has the same issues with Canada.

Members also discussed the weakness in the systems as individual are dropping their first party collision coverage, insurance companies are not reporting stolen or fraudulent vehicles because there is no claim, and thus the information might not get into NMVTIS. Mr. Spiller addressed that concern by explaining that his organization, National Vehicle Service (NVS) is making all efforts to ensure it collects all the finance industry's VINs in order to provide notification if there is a stolen flag or a vehicle that has multiple identities. The discussion ended with Mr. Sullivan emphasizing the importance of tow companies with lien capability getting that information into NMVTIS.

The group recessed for lunch at 11:58 a.m.

LUNCH BREAK

Major Terp reconvened the meeting at approximately 1:15 p.m. requesting the subcommittee chairs to report their findings to the Board.

Subcommittee Report: Revenue Options

Subcommittee chair, Mr. Van Alst, reported that his group focused on proposing a new name (including tagline) and logo for NMVTIS, believing that if state DMVs were to post the new name along with a link to NMVTIS on their websites, traffic on NMVTIS would increase. He shared several name/logo/tagline combinations, reporting that they had

agreed on “vehiclehistory.gov.” The Florida DMV is intending to test the new name, as are additional DMVs.

The subcommittee recommended investigating whether NMVTIS may use the DOJ logo, and if so, conducting a comparison to see which logo (DOJ or the proposed new NMVTIS logo) is driving more consumer traffic to the site.

There was discussion among Board members, regarding taglines and not over-selling NMVTIS. Some members questioned whether a tagline was even necessary.

Mr. Terp suggested the tagline “Your best first stop”. Mr. Van Alst agreed that using that type of language was a good basis for the subcommittee’s further consideration.

Representatives from the consumer groups raised concerns about the NMVTIS website and suggested that language be added that makes it clear that although NMVTIS contains a lot of information, there is some information it does not contain. Board members agreed and recommended the use of pop-up on the NMVTIS site advising users of the limitations of any database, including NMVTIS, and recommending caution. Alissa Huntoon, BJA, reminded the Board members of the various pieces of information already available on the website that describe specifically what information is and is not included in NMVTIS and asked them to be more specific about what information they believe is missing. Mr. Van Alst agreed that the proposed pop-up would be a subcommittee recommendation to the Board and subsequently to DOJ.

He said the subcommittee had four additional issues/recommendations, as follows:

1. The subcommittee recommends certain data in NMVTIS be aggregated, believing such data would better educate consumers and possibly generate income for NMVTIS. The requested data includes the total number of brand records, odometer brand events, odometer events, and number and type of vehicles in the database.
2. They discussed improving the data itself, particularly from the states, and explored what law enforcement, consumers groups, and others could do to encourage states to participate. They believe it would be helpful for subcommittee members to learn about the problems states are encountering and what might be deterring some states from participating or participating fully. There was no formal recommendation on this issue.

They recommended that BJA investigate the process of trade-marking NMVTIS, knowing that there is at least one competitor (NMVTIS.org) using the NMVTIS name. One of the subcommittee members offered their own estimation of what it might cost, to purchase NMVTIS.org. He estimated \$30,000. **Note:** This request has been made to BJA previously and BJA is exploring the issue and the options.

3. They understand that AAMVA is currently re-writing the provider application form and investigating the cost of bringing on new providers. They requested that

AAMVA report that information to the subcommittee and that the subcommittee have some voice in recommending the optimum number of providers. This was not a formal recommendation.

Subcommittee Report – Technological Capabilities

Subcommittee Chair George March reported that, as key AAMVA staff are essential to the subcommittee's understanding of the system, they had requested and received approval for four AAMVA staff members to be added to the subcommittee. As AAMVA will fund a re-engineering of the system (see Operator Update), they have asked AAMVA for an update on the new direction.

The subcommittee made four recommendations to the Board:

1. That AAMVA proceed with the NMVTIS technology re-engineering approach that was presented to the subcommittee.
2. That there be established an IT functionality change control process to include all appropriate, affected stakeholders. The reasoning is that if a new functionality is needed, someone besides a technical expert should make that decision.
3. That AAMVA and its member states to be commended for the fiscal commitment and the staff effort in support of the reengineering effort.
4. That AAMVA provide the subcommittee with copies of all its re-engineering status update reports to DOJ (only the IT-related parts) on a periodic basis. DOJ would be requested to share those sections of the reports with NAB members.

There was discussion around the establishment of an IT functionality change control process, including who would establish such a process, what would be the nature of additions or changes to functionality y is a business process question that could involve DMVs or other stakeholders. Mr. March reiterated that decisions on any future enhancements to the system should not solely be the responsibility of IT personnel. Mr. Terp agreed that the full Board would discuss the matter further.

AAMVA confirmed that they are prepared to share with the subcommittee, any IT related sections of IT status updates on re-engineering that would be provided to DOJ.

Subcommittee Reports - Definitions and Terminology Ad Hoc

Chair Robin Weiner explained the subcommittee's goal is to identify terms and definitions, consistent with the NMVTIS regulations, and provide the Board members with an enhanced understanding of the terminology used in order to reduce confusion over commonly used terms and definitions. She shared with the Board an eight page flow chart of the life cycle of a vehicle. Ms. Weiner asked Board members to review the

chart by the next meeting and to advise her of any edits. She noted that there was already a change identified as they had not included the issue of rental cars or imported used vehicles.

At the next Board meeting the subcommittee plans to present its recommended definitions including specific scenarios illustrating where some of the gaps in reporting might be occurring. In addition, Ms. Weiner requested time on the agenda of the next meeting for a panel of representatives from the various sectors, such as shredders and parts recyclers, who would provide presentations on what they do.

Public Observer Comments

Mr. Steve Levetan, Senior Vice President of Pull-A-Part, LLC, part of the JSI sector, reported on a successful legislative effort in Georgia they participated in to improve compliance with NMVTIS as well as ensure law enforcement has timely access to information on end-of-life vehicles. The Georgia legislature passed a bill, to become effective in 2012, requiring creation of a state junk/salvage reporting system enabling entities that are required to report specific information to NMVTIS, to report such information to the state at no cost to the entity. The state would then be responsible for transmitting the five or six pieces of required information to NMVTIS. Mr. Levetan said the Georgia DMV testified that implementation would cost the state about \$60,000 and that law enforcement would have access to the information within 48 hours.

Nancy Randall of Hollander, which provides software to recyclers, requested clarification on the location requirement for NMVTIS and whether a parent company should have one ID under which all its subsidiaries would report. Ms. Cameron said the intent is that each entity would have a single ID. However, she said companies may choose between using one ID for multiple addresses or having different IDs for the same company but different locations. Ms. Randall suggested the question and response be included in the frequently asked questions (FAQs) about NMVTIS.

Mr. Roger Schroeder, Vice President of the Automotive Recyclers Association Services Corporation (ARASC), asked if the movement of the system to .net would allow for more data consolidators. Mr. Van Alst said the Revenue Options Subcommittee had not looked at the re-engineering in terms of revenue. Mr. Owens and Mr. March said that, from strictly a technical perspective, as AAMVA moves to a service-oriented architecture, it should be easier to implement business functions with new entities.

Board Member Observations/Comments

Mr. Wilson requested clarification on the re-engineering process, and Mr. Guiot explained that the new architecture would be a parallel system that would allow for the old interfaces as well as new ones. It will be backwards compatible, plug and play, and will not require any changes for existing providers.

Ms. Weiner asked AAMVA if the move to a service-oriented architecture would allow for direct reporting of the JSI sector, and Mr. Guiot said that interface would not be changing at this point. Ms. Weiner asked how to put something like that onto the enhancement list, and Mr. March referred to the change control process discussed earlier.

Mr. Terp summarized the Board recommendation that DOJ should include a pop-up on the NMVTIS site and proposed verbiage: “About a database check: With any database, including NMVTIS, you have to look carefully at what you are getting and what you are not getting.” Mr. Brown, Mr. Brauch, Mr. Van Alst were asked to work together to craft language for the pop-up for the Board could review it at the next meeting with a view to make a recommendation to DOJ.

Mr. Terp acknowledged and thanked the subcommittees’ for their work and emphasized that the Board still needs to make recommendations to DOJ. Mr. Terp agreed that the Board would make the additional two recommendations to DOJ:

1. The Advisory Board should work with BJA to create several different logos and taglines that could then be tested for their relative effectiveness in driving traffic to NMVTIS.
2. DOJ should explore the feasibility of trade marking the NMVTIS name.

Adjournment/Closing Remarks

The Chair and the members concurred that the meeting location and logistics had worked well. The date for the next meeting was announced, November 2-3, 2011, using the same format as this meeting, with the subcommittees meeting on the afternoon of Nov. 2nd and the full Board meeting on Nov. 3rd.

Ms. Huntoon reminded the members that although BJA is present for the discussions during the meetings, formal and specific recommendations must be submitted in writing to BJA so that she can keep documentation of any recommendations to BJA. Several members noted that NMVTIS is reaching a tipping point, gaining both traction and momentum. Several said they were encouraged by developments with the Board – particularly the sense of trust that is building – and by AAMVA’s commitment to the system.

Mr. Myers said that, as this was his last meeting, he appreciated the opportunity to serve and would continue to support the Board’s efforts.

Ms. Fitzgerald said it is very important to have the street-level components, such as the presentation by Mr. Frias, and Mr. Brauch seconded this remark.

Mr. Giknis reiterated his concern that there should be insurance representation on the Board.

Mr. Dartland referenced a consumer handbook published by the federal government, www.consumeraction.gov, which he noted contains nothing about NMVTIS in the section on buying a used car. He proposed funding an insert on NMVTIS.

Mr. McDonold said VIN cloning and fraudulent vehicles are major problems and that NMVTIS can really help law enforcement. He also referenced an article, to be published at the end of July that he wrote for the International Association of Chiefs of Police (IACP) magazine on the changing face of vehicle theft. He committed to providing the link to the article, to Ms. Huntoon.

Mr. Terp adjourned the meeting at 3:25 p.m.