



# FAIR DEALER NEWSLETTER

Quarterly updates for the dealer and manufacturer industry

[www.dol.wa.gov/business/vehiclevesseldealer/dlrresources.html](http://www.dol.wa.gov/business/vehiclevesseldealer/dlrresources.html)

February, 2009

## Greetings from the Administrator



Now that 2008 is a memory, I think I can safely speak for most of us when I say, "Good riddance." With all the various challenges and travails that impacted the state and national economies, many have the feeling that if we can weather that kind of financial storm, then virtually nothing else that comes our way should faze us. Hopefully, the adage is true that what doesn't kill us makes us stronger. I am certainly looking forward to a brighter year for 2009, one that will no doubt have its own challenges, but that will include some positive changes.

Speaking of changes, we have reached the end of an era here in the Dealer and Manufacturer Services (DMS) section of the Department of Licensing (DOL). Jerry Aufmuth, one of our field investigators, retired at the end of 2008. Jerry worked in the Western Regional office and has been based in Olympia for the past 20+ years. Prior to that, he had been assigned to the Tacoma office. He was well known to dealers

in the Puget Sound area and in southwest Washington as a knowledgeable resource when questions arose. Jerry was almost as well known for his sense of humor and unique laugh. We all wish him the best in his retirement.

Jerry Aufmuth's retirement leaves a hole in our program which we hope to be able to fill quickly. The state has only recently lifted a hiring freeze and the human resource folks at DOL have their hands full with various programs scurrying to fill vacancies that accumulated during the freeze. As in all large organizations, there has been some discussion about the allotment of resources and which vacant positions should receive first priority. There has also been some discussion internally about how this position can be put to the best use. I will update you on how this all plays out when I write the next Fair Dealer column.

With the arrival of the New Year comes the beginning of the Washington state legislative

## Greetings from the Administrator

*Continued*

session. DMS has not proposed any legislation this year. We are aware of a few bills that have been talked about by industry members, but so far we have not seen any of these introduced to the legislature. We are always interested in partnering with our stakeholders to discuss issues of mutual concern and help with legislation where possible.

And speaking of successful partnerships, I want to share with you that the Washington State Patrol and DMS have continued to pour a lot of resources into the Problem Oriented Public Safety (POPS) project aimed at curbstoners. Since the project was initiated, just over a year ago, there have been 48 cease and desist orders issued to individuals and another 31 cease & desist orders issued to businesses selling cars illegally. Additionally, there is \$198,000 in penalties pending, and \$165,250 finalized, for a grand total of \$363,250 to date. Through this partnership, WSP personnel are also able to serve the cease and desist orders on the curbers at the VIN inspection lanes when vehicles are brought in for inspection.

This project was initiated on a trial basis but has succeeded well beyond what anyone could have anticipated. One of our Olympia staff members, Compliance Officer Gail Saul, received a well-deserved WSP commendation in 2008 for her contributions to this effort. She has worked tirelessly on this project and I am very pleased to see her recognized for her contributions.

I want to take this opportunity to offer you best wishes for a successful and productive 2009. Most people I know hold lofty expectations and high hopes for our new president and his recently installed cabinet members. I sincerely hope this new administration's approach to the economy is what the country needs to get moving forward again.

Cordially,

Dan Devoe

<b>Newsletter Editor, Kim Zuchlewski</b>			
<b>Questions or comments for the editor? Topics / issues you'd like addressed in the next edition of the Fair Dealer Newsletter? Please email <a href="mailto:kzuchlewsk@dol.wa.gov">kzuchlewsk@dol.wa.gov</a></b>			
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The Federal Bureau of Investigation (FBI) sent out a press release regarding the National Auto Fraud and Theft Prevention System, on January 29, 2009, that we thought you might find interesting . . . . .

FEDERAL BUREAU OF INVESTIGATION  
PRESS RELEASE  
January 29, 2009

### National Auto Fraud and Theft Prevention System Goes Live

WASHINGTON- The U.S. Department of Justice today announced the availability of an online computer system to help protect states and consumers from automobile fraud and to provide law enforcement with new tools to investigate fraud, theft and other crimes involving vehicles. The National Motor Vehicle Title Information System, or NMVTIS, will be available for consumers on January 30, 2009 and will be accessible through third party, fee-for-service websites. The Office of Justice Programs' (OJP) Bureau of Justice Assistance (BJA) administers NMVTIS in coordination with the Federal Bureau of Investigation (FBI).

The system allows state motor vehicle administrators to verify and exchange titling and brand data and provides law enforcement officials, consumers, and others with critical information regarding vehicle histories. Consumers now have access to the vehicle's brand history, odometer data, and basic vehicle information and can be redirected to the current state of record to access the full title record if available. Law enforcement can track the vehicle's status from state to state by accessing the system directly.

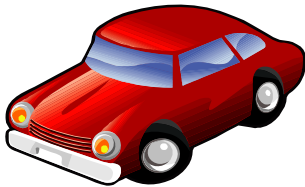
According to the National Insurance Crime Bureau, car theft is a profitable business generating nearly \$8 billion a year. Along with implementing this system, the Department has outlined the various responsibilities and reporting requirements for states, auto recyclers, junk yards and salvage yards, and insurance carriers. The Department has designed the system consistent with federal law that requires that the system be paid for through user fees and not dependent on federal funding.

Currently, NMVTIS has the participation, or partial participation, of 36 states. Ultimately, with full participation from all 50 states and the District of Columbia, NMVTIS, will prevent stolen motor vehicles, including clones, from entering into interstate commerce; protect states and consumers from fraud; reduce the use of stolen vehicles for illicit purposes including fundraising for criminal enterprises; and provide consumer protection from unsafe vehicles. In research conducted by the Logistics Management Institute, the system is estimated to save taxpayers between \$4 and \$11 billion each year. For further information on NMVTIS, visit [www.nmvtis.gov](http://www.nmvtis.gov).

## Course of Action Customers may take to obtain a title when a Washington Dealer Goes Out of Business

The public frequently calls the Department of Licensing for assistance in obtaining title to a vehicle after a dealer has gone out of business. The three most common circumstances are the:

- customer paid for vehicle in full but title not transferred
- dealer was lien holder, customer paid off vehicle and is seeking title
- dealer can't be located but the customer still owes money to the dealer.

A green-bordered form titled "STATE OF WASHINGTON VEHICLE CERTIFICATE OF OWNERSHIP (TITLE) CERTIFICATE NUMBER". The form contains various fields for vehicle information, including VIN, year, make, model, style, color, and weight. It also includes sections for "COMMENTS", "PRICE", "SALE PRICE", and "DATE OF SALE". There are checkboxes for "SALES TAX PAID" and "TRANSFER TAX PAID". The form is designed for recording vehicle ownership and title transfers.

In these circumstances the vehicle purchaser is instructed to contact one of Dealer Services regional offices. Western office number is 360-664-6475. North East office number is 509-482-3886. The purchaser will need to submit a written complaint. The purchaser will need to provide Dealer Services a copy of:

- the purchase agreement
- proof of payment including the front and back of the check used for payment
- a receipt showing paid in full if cash payment
- the title application showing new legal owner if vehicle was financed.



The Department of Licensing website also contains instructional information for the public seeking a title under these circumstances. Dealer Services staff will work closely with our Title Services staff in reviewing the situation and all documents. A decision will be made whether there is sufficient documentation to issue a title. The Department cannot guarantee a title will be issued. All possible titling options will be determined by Title Services and discussed with the customer.

It is important to note that this process is also available to vehicle dealers who take a vehicle in trade and discover the title has a dealer as lien holder and that dealer is no longer in business. Dealer Services can sometimes locate the former owner of the out of business dealership and assist in obtaining a release of interest. If we cannot locate the former owner then the process outlined above will be followed.

## **Disciplinary Action Cases**

October 1 thru December 31, 2008

**Astro Auto Wrecking**, Federal Way  
*Finding:* Salvage  
*Action / Penalty:* \$4,000

**Auto Sale Auction**, Spokane Valley  
*Finding:* Rebuilt  
*Action / Penalty:* \$1,500

**Candy's Auto Wrecking**, Tacoma  
*Finding:* Other  
*Action / Penalty:* Agreement

**Deanna Jean's Hulk**, Tacoma  
*Finding:* Salvage  
*Action / Penalty:* \$1,250

**Exelon Automotive LLC**, Federal Way  
*Finding:* Unlicensed dealer activity  
*Action / Penalty:* Cease & Desist / \$1,000

**Gary's Auto Sales**, Okanogan  
*Finding:* Place of Business  
*Action / Penalty:* Suspended / \$500

**Gig Harbor Motorsports**, Gig Harbor  
*Finding:* Insolvent  
*Action / Penalty:* License revoked

**Gundie's**, Bellingham  
*Finding:* Late title transfer  
*Action / Penalty:* Dismissed

**Honda Dome**, Tacoma  
*Finding:* Unlicensed dealer activity  
*Action / Penalty:* Cease & Desist / \$9,000

**Inland Towing**, Spokane  
*Finding:* Towing  
*Action / Penalty:* \$10,000

**J & J Enterprises**, Marysville  
*Finding:* Unlicensed dealer activity  
*Action / Penalty:* Cease & desist / \$1,000

**John McLaughlin**, Tonasket  
*Finding:* Unlicensed dealer activity  
*Action / Penalty:* Cease & desist

**King County Auction**, Tacoma  
*Finding:* Late title transfer  
*Action / Penalty:* \$1,000

**L & M Auto Body**, Tacoma  
*Finding:* Unlicensed dealer activity  
*Action / Penalty:* Cease & desist / \$4,000

**Lee Towing Co Inc.**, Tacoma  
*Finding:* Towing  
*Action / Penalty:* License revoked for 1 year

**Nisqually Auto Wrecking & Tow**, Olympia  
*Finding:* Salvage  
*Action / Penalty:* \$1,000

**Seattle Iron & Metals Corporation**, Seattle  
*Finding:* Salvage  
*Action / Penalty:* \$6,500