

CRIMINAL HISTORY FEE REDUCTION

As part of the dealer and salespersons licensing process, the Motor Vehicle Dealer Board runs a criminal history background check on all original applications and a random selection of renewal applications.

The Board must pay a fee of \$15 to have the background check completed. The Board collects this \$15 from the applicant/dealer and passes it along to the state police who then run the background check. We have now identified a new vendor to conduct these background checks for us. Not only can this new vendor provide results in a fraction of the time, they can do it for a mere \$8.50.

Beginning, January 1, 2007, the criminal history background fee will be \$8.50. Please note that an automatic refund will not be issued if you submit \$15 after this date.

As a reminder, it is important that all applicants *truthfully* answer the questions on all application forms. In particular, the salesperson qualification and application forms ask "Have you ever been convicted of a felony?" Ever means ever! Regardless of how long ago the conviction was, if an applicant was ever convicted of a felony, the answer to the question on the application is "YES". Having a felony conviction does not necessarily mean that the application will be denied. However, answering "NO" to this question and having a felony conviction that we discover in our nation wide criminal history check, will result in a denial of the application.

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Seasons Greetings

HOLIDAY HOURS

In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following dates:



CHRISTMAS

December 22, Closing at Noon
December 25 2006
December 26, 2006

NEW YEARS

January 1 2007
January 2, 2007

LEE-JACKSON DAY

January 12 2007

MARTIN LUTHER KING DAY

January 15 2007

BOARD ACTIONS

At the November 13, 2006 Motor Vehicle Dealer Board Meeting, the Board took the following actions:

Record Keeping, Misuse of Dealer Tags, Business Hours, etc: From June 2005 through March 2006, this Portsmouth area dealer received two educational/warning letters from the dealer Board. One letter addressed not being opened during its posted business hours and one addressed various record keeping violations and failure to apply for titles within 30 days of the sale. In May of 2006, a field representative attempted to inspect the dealership during its posted business hours only to find the dealership closed. Later that month, another inspection of the dealership conducted with a DMV special agent, revealed various record keeping violations and misuse of dealer plates. In September of 2006, an informal fact-finding conference was conducted to address alleged violations of the business hours requirements; record keeping violations; misuse of dealer plates; failure to submit title application and fees within 30 days of the sale; compensating an unlicensed individual in the connection of the sale of a motor vehicle; and selling away from the licensed.

Based on the information provided at the conference, the hearing officer recommended and the Board agreed, to assess a civil penalty of \$3,150 and to require the owner to successfully complete the dealer-operator course. The Board also determined that the dealer's license be suspended until what time he has a satisfactory inspection.

Record Keeping and Failure to Submit fees to DMV. On August 9, 2006, an informal fact-finding conference was convened for a Newport News area dealer to address alleged record keeping violations; a consumer complaint concerning a title; and several very recent reports showing that the dealer was consistently going beyond 30 and even 60 days after the sale before submitting title application and fees for vehicles he sold. Based on the information provided at the conference, the hearing officer recommended, and the Board agreed, that the owner of the dealership complete the dealer-operator course within 60 days and that a \$1,000 civil penalty be assessed.

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DEALER TALK

A Bi-monthly newsletter of The Virginia Motor Vehicle Dealer Board
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NOTE: We make every effort to ensure information in *Dealer Talk* is accurate, but it is not a substitute for legal advice.

Calendar of Events

**All Meetings held at DMV Headquarters
2300 W. Broad Street, Room 702
Richmond, VA**

Monday, January 8, 2007

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, January 8, 2007

Time: Immediately following Dealer Practices
Licensing Committee Meeting

Monday, January 8, 2007

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, January 8, 2007

Time: Immediately following Advertising
Transaction Recovery Fund Committee Meeting

Monday, January 8, 2007

Time: 10:00 a.m.

Full Board Meeting

NOTE: Meetings may begin later, but not earlier than scheduled. Meeting end times are approximate.

BOARD ACTIONS

(Continued from Page 2)

Record Keeping. From February of 2002 through July 2006, this Haymarket dealer was the subject of four deficient inspections involving record keeping. The first three deficient inspections resulted in education/warning letters and the fourth triggered an informal fact-finding conference that was convened on September 22, 2006. Based on the information provided at the conference, the hearing officer recommended civil penalties totaling \$750 and that the owner be required to attend the dealer-operator course. The Board decided that a \$1,500 civil penalty be assessed and require the owner to successfully complete the dealer operator course.

Record Keeping; Business Hours and Failure to Maintain a Business Location. On September 20, 2006, an informal fact-finding conference was conducted to address the allegations that this Greene County dealer was in violation of several record keeping requirements and place of business requirements. Based on the information provided at the conference, the hearing officer recommended, and the Board agreed, at no civil penalty be imposed; that a follow-up inspection be conducted and the owner be required to attend the dealer-operator course.

Business Hours. In January of 2006, a MVDB filed representative attempted to conduct a random inspection of a Winchester area dealer only to find the dealer closed during his posted business hours. The Board sent this dealer an educational/warning letter. In June, the field representative attempted another inspection, only to find the dealer was not opened. The dealer was assessed a \$250 civil penalty, which he appealed and on September 20, 2006, an informal fact-finding conference was conducted. Based on the information provided at the conference, the hearing officer recommended that no civil penalties be imposed and the owner be required to attend the dealer operator course. The Board decided the dealer should pay a \$250 civil penalty and that he attends the dealer operator course.

BOARD ACTIONS

Selling From an Unlicensed Location, Advertising, Record Keeping and Compensating an Unlicensed Individual. The Dealer Board received a complaint from a consumer concerning a Fredericksburg area dealer. In the course of investigating the complaint, the Board's field representative discovered a number of alleged violations including selling vehicles from an unlicensed location; not identifying itself as a dealer in a newspaper advertisement; record keeping; compensating and unlicensed individual in connection with the sale of a motor vehicle; and failure to comply with a Board warning/willful failure to comply with the dealer laws. On October 11, 2006, an informal fact-finding conference was conducted to address these alleged violations. Based on the information provided at the conference, the hearing officer recommended and the Board agreed, that civil penalties totaling \$1,400 be assessed and that the owner and dealer operator attend the dealer-operator course.

Motor Vehicle Transaction Recovery Fund: At the November Board meeting, the Transaction Recovery Fund Committee and the Board considered and approved the following claim:

A consumer filed a claim against Military Circle Auto Brokers of Norfolk, owed by Mr. Samuel C. Baker and operated by Ms Susan Rife. The consumer had been awarded judgment of \$1,467. The Board approved payment from the Fund in this same amount.

HELPFUL TIPS AND REMINDERS

- Help us help you quicker: Please include your dealer number on all correspondence you send to us.
- If you have a WEB site and/or advertise on an on-line site, please remember that all advertisements must comply with the Advertising Laws and Regulations. Requirements such as processing fee and sale end date are often overlooked by dealers using the internet to advertise their inventory.
- Listings on eBay must also conform to all of the advertising regulations. Many dealers fail to clearly identify themselves as a dealer on eBay. Failure to do so could result in a \$1,000 or more civil penalty.

"SCRATCH-OFF" MAILERS

At the November Board meeting, there was a lengthy discussion on "Scratch-Off" Mailers. These promotions have been the subject of consumer complaints received by the Board staff and others such as the Office of Consumer Affairs and the Attorney Generals Office. In one example complaint, the consumer received a scratch off notice in the mail, after scratching off the covering; it was revealed that that they should call a toll free telephone number to claim their prize. The consumer was then told they were the grand prize winner and to come to the "super store" to claim their prize. Once arriving at the dealership, a salesman indicated that the fine print stated that the dollar figure that they had "won" was actually a down payment towards a purchase of a new vehicle. After researching the fine print, the consumer could not find any such statement. The Consumer contacted the Attorney General's office and the consumer was told to bring the advertisement into their office which he did. In reviewing the document, they also could not find the statement. The complaints continue to be filed on similar advertisements.

The Board has directed the staff to send warning letters to dealers that use this type of advertising that are deceptive or not in compliance with the law and regulations. Please be careful when contracting with outside vendors that use scratch-off and other types of promotions, to make sure all aspects of the promotion are in compliance.