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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.

## **Motor Vehicle Dealer Board Mission Statement**

*The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.*

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## **DMV IMPLEMENTS NEW LICENSE DESIGN AND ISSUANCE PROCESS RISK FOR FRAUD AND ID THEFT REDUCED**

Virginians will soon have the safest, most secure driver's licenses and ID cards in the U.S. In 2009, the Virginia Department of Motor Vehicles (DMV) will implement newly designed driver's licenses and ID cards and a new issuance process.

The cards will have a new look and state-of-the-art security features. Cards will be issued from a central location using technology that is more advanced than printers in DMV offices.

"The new driver's licenses and ID cards will be the most secure and trusted state-issued credentials in the nation," said DMV Commissioner D.B. Smit. "The enhanced security will reduce the risks for fraud and ID theft."

The most notable of the security features is a clear window, containing a black and white photograph of the cardholder, visible from the front and back of the card. Virginia's will be the third such driver's license worldwide and the first in the U.S. to carry this feature.

Other security features include laser engraved polycarbonate construction, raised lettering and an ultraviolet (UV) feature, among others.

"The driver's licenses and ID cards contain 21 security features used by law enforcement and others who will verify the card's authenticity," said Don Boswell, director of Law Enforcement Services at DMV. "These features make them difficult to counterfeit."



## Calendar of Events

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

Monday, March 9, 2009  
Time: 8:30 a.m.  
Dealer Practices Committee Meeting

Monday, March 9, 2009  
Time: Immediately following  
Dealer Practices  
Licensing Committee Meeting

Monday, March 9, 2009  
Time: 9:30 a.m.  
Advertising Committee Meeting

Monday, March 9, 2009  
Time: Immediately following  
Advertising  
Transaction Recovery Fund  
Committee Meeting

Monday, March 9, 2009  
Time: 10:00 a.m.  
Full Board Meeting

**NOTE:** Meetings may begin later,  
but not earlier than  
scheduled.

# BOARD ACTIONS

**Douglas E. Aust and Gem City Iron and Metal Company.** This Pulaski area dealer received an educational/warning letter for not maintaining hours. Mr. Aust requested a variance to be opened from 7:00 to 10:00 am on Mondays. At its November 2007 meeting the Board denied this request. Continued failed inspections because the dealer was not opened, resulted in the assessment of a \$250 civil penalty. The dealer requested an informal conference and in the conference the dealer argued the definition of "open for business". His position was that he could post a telephone number on his door and so long as an employee could get to the dealership in a reasonable amount of time, he was satisfying the requirement to be opened for business. The hearing officer's report was presented to the Board in May of 2008 and he rejected the dealer's argument. Mr. Aust disagreed with the Board's May decision and requested a formal hearing. The hearing officer's report and recommendation to assess a \$250 civil penalty was presented to the Board at its January meeting. The Board agreed with the hearing officer's recommendation.

**James D. Barnes and Route 100 in Auto.** Between August of 2007 and July of 2008, four attempts were made to inspect this dealer located in Bassett, VA. Mr. Barnes paid \$250 and \$500 civil penalties as a result of the 2nd and third failed attempts. Mr. Barnes also received educational/warning letters for each failed attempt. The 4<sup>th</sup> failed attempt resulted in the assessment of a \$1,000 civil penalty. Mr. Barnes appealed this assessment and on November 3, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1533 (business hours) and 46.2-1575(2) (failure to comply subsequent to receipt of a written warning from the Department or Board). At the conference, Mr. Barnes stated that he wished to close the dealership and surrendered his license items. Based on the information provided at the conference, the hearing officer recommended that the Board accept Mr. Barnes offer to close his business and to assess a civil penalty of \$1,000. The Board agreed with the hearing officer's recommendation.

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## HOLIDAYS HOURS

In observance of President's Day all state agencies, including the Dealer Board, will be closed on the following date:

Monday  
February 16, 2009



## BOARD ACTIONS

*(Continued from page 2)*

**Darrell Lay and North Stafford Auto Sales (Currently operating as Quantico Auto Sales).** An April 2003 inspection of this Stafford area dealer revealed a number of problems. The dealer was sent an educational letter and he responded that he would take care of everything. On March 3, 2008 a joint inspection and audit with DMV and CVR were conducted. A number of serious problems were discovered. Some resulted in criminal charges and on July 3, 2008 Mr. Lay was found guilty of violating 6 Code sections - all related to his dealership operation. On November 24, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1575(9) (having been convicted of any criminal act involving the business of selling vehicles), 46.2-1575(10) (Willfully retaining in possession title to a motor vehicle that has not been completely and legally assigned to him), 46.2-1575(12) (leasing, renting, lending or otherwise allowing the use of a dealer's license plate by persons not specially authorized under this title) and 46.2-1575(18) (failing to maintain automobile liability insurance). Based on the information provided at the conference, the hearing officer recommended that Mr. Lay attend the Dealer-Operator course and be assessed a civil penalty of \$500 per violation of 46.2-1575(9), (10), (12) & (18) for a total civil penalty of \$2,000. The Board assessed a \$1,000 civil penalty and voted to require that Mr. Lay successfully complete the dealer-operator course by July 12, 2009. Failure to do so will result in the immediate suspension of all Board issued licenses.

**Charles J. Manning and M & M Motors.** From May of 2002 through April 2005, there were at least six failed attempts by MVDB field representatives to visit this dealership as it was not opened. Two educational/warning letters were also sent. In July of 2005 the dealership had a successful inspection. A September 2006 failed attempt to inspect this dealership resulted in another letter and a failed October attempt resulted in a \$250 civil penalty which the dealer paid. A failed attempt in February of 2008 resulted in a \$500 civil penalty which the dealer appealed. On July 7, 2008, an informal fact-finding conference was conducted to address the alleged violation(s) of VA Code Sections 46.2-1533 (failure to maintain posted business hours) and 46.2-1575(2) (failure to comply with the law after receiving a written warning). At its September 8, 2008 Dealer Board meeting, the Board adopted a resolution to assess a civil penalty of \$500 and to revoke all licenses issued to Mr. Manning. Mr. Manning appealed this decision and on December 1, 2008, a formal hearing was conducted. The Board agreed with the hearing officer's recommendation to revoke Mr. Manning's licenses and assess a civil penalty of \$500.

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## Helpful Tips and Reminders

**On-line Dealers Take Note:** DMV has recently implemented a process in which they will temporarily suspend an online dealer's privilege to process online when the MVDB has notified DMV that an online dealer has had an unsatisfactory inspection. In order to become an on-line dealer and remain an on-line dealer, you must be a dealer "in good standing". A dealer is not in good standing if he/she has an unsatisfactory inspection by a Motor Vehicle Dealer Board field representative.

**Criminal History Checks:** You should have received a mailing from *ScreeningOne* concerning a new initiative that will save you time and money when hiring a new salesperson. *ScreeningOne* is the vendor used by the Motor Vehicle Dealer Board to check the criminal history of new salesperson applicants. With this new initiative, you will be able to run nationwide criminal background checks on not only your new salesperson applicants, but applicants for any position in your organization. You could even run periodic criminal backgrounds of any and all of your employees. The cost -- just \$8.50 for each criminal background you run.

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## BOARD ACTIONS

*(Continued from page 3)*

**Thurman G. Pritchard, Jr., Salesperson.** Mr. Pritchard had been convicted of a misdemeanor and several "traffic" offenses related to the automobile sales business in North Carolina. As a result of these convictions, his dealer license was revoked and he is not allowed to be licensed in NC. When he applied for a sales license in Virginia, he did not note these convictions. Upon learning of the convictions and the circumstances surrounding these convictions, the executive director denied the license application. Mr. Pritchard appealed this decision and on February 6, 2008 an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (1) having made a material misstatement on an application for a motor vehicle salesperson's license, (6) having used deceptive acts or practices; (8) having been convicted of any fraudulent act in connection with the business of selling vehicles; and (12) leasing, renting, lending, or otherwise allowing the use of a dealer's license plate by person not specifically authorized. Based on the information provided at the conference, the hearing officer recommended that Mr. Pritchard be allowed to reapply for a salesperson's license after an additional wait of six months. After reviewing the information provided at the informal fact-finding conference, the executive director, per authority of the Board, denied Mr. Pritchard's application for a motor vehicle salesperson's license. Mr. Pritchard appealed this decision and requested a formal hearing. After reviewing the evidence and the hearing officer's report, the Board voted to deny the application for a salesperson's license.

## Helpful Tips and Reminders

*(Continued from page 4)*

Once you have signed up for this service, you can run a nationwide criminal background, sex offender and OFAC check before you send the salesperson application to the Board. We will be able to view the criminal background check that you ordered and if there are no problems - we will proceed to license your new salesperson. For additional information please contact Paul Craddock at *ScreeningOne* toll free at 888-327-6511; ext 109 or [pcraddock@ScreeningOne.com](mailto:pcraddock@ScreeningOne.com).

**You Have 30 days to Pay the Titling Tax and Registration Fees.** If you are collecting the tag and titling fees and tax from you customers to submit to DMV, you must do so within 30 days of the sale even if you have not received the title from the lien holder, floor planner, etc. If you are not able to secure the title within 30 days you must pay the "DMV fees" you collected from your customer and DMV will establish a new title record as a "title held". The actual title will be issued once the old title is submitted to DMV. After the initial 30 days, you may either apply for "metal" license plates for your customer or issue a second set of 30 day tags upon completing a form VSA 40. (Available at either the MVDB or DMV WEB sites.)

## NATIONAL AUTO FRAUD AND THEFT PREVENTION SYSTEM GOES LIVE

Recently, the U.S. Department of Justice announced the availability of an on-line 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, became available for consumers on January 30, 2009 and will be accessible through third party, fee-for-service Web sites. 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.

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 system is 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. For further information on NMVTIS, visit [www.nmvtis.gov](http://www.nmvtis.gov).

A link to the NMVTIS Consumer WEB page can be found under the "What's Hot" section on the MVDB home page and on our "Publications, Reports and Information" page. The NMVTIS Consumer WEB page provides links to NMVTIS search providers.

## ADVERTISING REMINDERS

**Advertising a Price of a Pre-Owned Vehicle Compared to that of a New Vehicle.** If you decide to use this type of advertising, the basis for the comparison must be clear and the fact that you are comparing the price of a pre-owned vehicle to that of a new one must also be very clear. While this type of advertising is not prohibited, we advise that you use caution and be sure that the advertisement is clear and includes all of the information the consumer needs in order to understand the comparison that is being made.

**Not Too Fast.** If you advertise on radio and television, please remember that the Virginia Motor Vehicle Advertising regulations state that when terms, conditions or disclaimers are used, they must be clearly announced (and or conspicuously displayed in the case of television) during the advertisement. Further, the terms, conditions or disclaimers must be at an understandable speed and volume level. It is advised that disclaimers NOT be given at the beginning of the advertisement as the listener may have difficulties connecting the disclaimer to the advertisement.

**Rebates.** Please be careful when advertising manufacturer rebates that are not available to all consumers, but to specific individuals, such as college students, loyal customers, military personnel, etc. Advertisements that include multiple rebates must be clear that not everyone is eligible for all rebates if that is the case. In addition, dealers must not total the manufacturer rebates in the advertisement if customers cannot combine rebates. For example, if a manufacturer offers a \$500 rebate to students buying their first car and a \$500 loyal customer rebate, you cannot advertise a \$1,000 rebate since these two cannot be combined.

## DMV IMPLEMENTS NEW LICENSE DESIGN AND ISSUANCE PROCESS RISK FOR FRAUD AND ID THEFT REDUCED

*(Continued from 1<sup>st</sup> page)*

The newly designed cards will, however, maintain some of the current card features. DMV worked closely with law enforcement, retailers, hospitality representatives and others while designing the new licenses and IDs to ensure the cards meet their unique business needs. Adult licenses will remain horizontal and include an outline of the state capitol building. Cards for those under 21 will be vertical and carry images of Virginia's state flower, the dogwood. It will show the dates that the individual turns 18 and 21, to assist retailers curb the illegal sale of tobacco and alcohol to minors.

Virginians who apply for driver's licenses at DMV customer service centers will receive temporary driving permits. Licenses will be mailed to their home addresses.

The new issuance process will be similar for Internet transactions. Online customers conduct a transaction, print a receipt and receive their cards through the mail. Eligible customers can continue to renew via Internet ([www.dmvNOW.com](http://www.dmvNOW.com)), telephone and mail. "Central issuance of driver's licenses and ID cards will reduce the use of false addresses and eliminate the appeal of out-of-state residents to attempt to illegally obtain Virginia licenses," Smit added. "It is essential that customers provide DMV with their current addresses."

Between March and July 2009, customers will begin experiencing the enhanced process and receiving the new secure credentials. Currently issued driver's licenses and ID cards will remain valid until expiration dates.

For more information, visit [www.dmvNOW.com](http://www.dmvNOW.com).

## Dealer-Operator Course

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present a two-day Dealer-Operator course. The following is a list of up-coming classes. The list is regularly updated on our WEB site at <http://www.mvdb.virginia.gov/licensingprocess.htm>.

### 2009

#### **February 10 & 11 - Northern Virginia Community College, Reston**

Contact: Claire Wynn; 703-450-2551 or 2552; [www.nvcc.edu/loudoun/continuing](http://www.nvcc.edu/loudoun/continuing)

#### **February 24 & 25 - Blue Ridge Community College, Weyers Cave**

Contact: Registration; 540-453-2215; [www.brcc.edu](http://www.brcc.edu)

#### **March 3 & 4 - Virginia Western Community College, Roanoke**

Contact: Anne Koon; 540-767-6131; [www.virginiawestern.edu](http://www.virginiawestern.edu)

#### **March 17 & 18 - Piedmont Community College, Charlottesville**

Contact: Maggie Myers; 434-961-5495 or [mmyers@pvcc.edu](mailto:mmyers@pvcc.edu); [www.pvcc.edu](http://www.pvcc.edu)

#### **April 7 & 8 - Germanna Community College, Fredericksburg**

Contact: Susan Brown; 540-891-3012; [www.gcc.vccs.edu/workforce](http://www.gcc.vccs.edu/workforce)

#### **April 21 & 22 - New River Community College, Dublin**

Contact: Dianne Belcher; 540-674-3657; <http://www2.nr.edu/admissions/>

#### **May 5 & 6 - Danville Community College, Danville**

Contact: Registration; 434-797-6437; [www.dcc.vccs.edu/workforce](http://www.dcc.vccs.edu/workforce)

#### **May 19 & 20 - Thomas Nelson Community College, Hampton**

Contact: Registration; 757-825-2934; [www.tncc.edu](http://www.tncc.edu)

#### **June 9 & 10 - Northern Virginia Community College, Reston**

Contact: Claire Wynn; 703-450-2551 or 2552; [www.nvcc.edu/loudoun/continuing](http://www.nvcc.edu/loudoun/continuing)

#### **June 23 & 24 - Patrick Henry Community College, Martinsville Campus**

Contact: Tisha McMillion; 276-656-0354; [www.ph.vccs.edu](http://www.ph.vccs.edu)

*Registration materials and information are available from each of the Community Colleges' WEB site or by calling the individual college.*

*The cost is \$300 and must be submitted by check or credit card, payable to the college, and submitted with the registration.*