

# Vehicle License Investigations



License Investigation Unit  
Sergeant Glen Hobbs  
Trooper Richard Thompson

# History

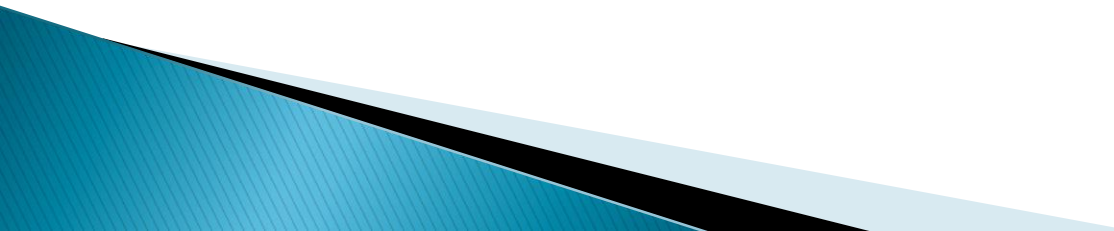
- ▶ October 1999 – License Fraud Task Force
- ▶ January 2000 – I-659
  - Eliminated vehicle excise tax
  - Reduced license plate fees
- ▶ March 2004 – Legislature Funded WSP LIU
- ▶ 2008 – Funding Cut
- ▶ 2010 – LIU Restored–Funded through money recovered from committed infractions and fraud convictions
  - Insufficient to financially sustain the program

# LIU's Current Deployment

1 Trooper, 1 Sergeant, and 2 Civilian Volunteers

- Civilian Volunteers average 15 hours monthly

▶ Partner Agencies:

- ▶ Department of Revenue
  - ▶ Department of Licensing
  - ▶ Other Law Enforcement Agencies
- 

# Scope

- ▶ Department of Revenue estimates 80 million dollars in sales tax revenue lost in last 5 years.
- ▶ Estimated 20,000 vehicles in Clark County registered in Oregon to avoid taxes.
- ▶ Minimum of 20,000 Oregon licensed drivers using an Oregon driver's license to avoid paying SALES TAX in Washington.

WSU Study, June  
2007

# New Resident

## ▶ New residents

- RCW 46.20.021 – New residents of Washington shall obtain a driver's license within 30 days of moving.
- RCW 46.16A.030 – New residents of Washington shall register their vehicle within 30 days of establishing residency.

## ▶ Exceptions

- Nonresident Students
- Nonresident Military on Active Orders
- Borrowed vehicles may be driven by WA residents up to 10 days in a calendar year
- Business vehicles
  - Reciprocity

# Department of Revenue's Concerns

- ▶ Expensive cars
- ▶ Repeat offenders
- ▶ Motor homes
- ▶ Boats
- ▶ RV's
- ▶ Aircraft



Infraction – For new residents who don't register their vehicles within 30 days of establishing residency.  
\$1122

Gross Misdemeanor – For Washington residents who register their vehicle out of state in order to evade payment of tax and license fees. See RCW 46.16A.030 for punishments.

Felony – For Washington residents who fraudulently claim they were not residents for 90 days prior to the vehicle purchase to avoid payment of use tax.  
“90 day waiver”

## ▶ Infraction

- 46.16A.030.4 – Fail to Initially Register a Vehicle

## ▶ Gross Misdemeanor

- 46.16A.030.6 Licensing a Vehicle Out of State to Evade Taxes

## ▶ Felony

- 9A.72.030 – Perjury II

# How Information Is Received by LIU

- ▶ Officer Observation of Out of State License Plates
- ▶ Ramp Checks with Automated License Plate Reader (ALPR)
- ▶ Apartment Canvassing
- ▶ Neighborhood Patrols
- ▶ School Checks
- ▶ Citizen Complaints via email and hotline
  - ▶ WSP receives nearly a thousand emails at [licensefraud@wsp.wa.gov](mailto:licensefraud@wsp.wa.gov) annually
- ▶ Analysis of CAD Data



# LIU Goal

- ▶ #1 Goal is Compliance

- ▶ Generate red post cards for mailing

2016 sent 1,813 post cards to potential license violators

Approximately 24% of people complied generating

approximately \$210,000 in revenue to Department of Licensing (DOL)

- ▶ Placement of Warning flyers on vehicles

Utilized when address of the vehicle's owner is unknown such as parked on the street or apartment complexes

2016 placed 4,234 warning flyers on vehicles

Approximately 20% of people complied generating approximately \$250,000 in revenue to DOL

# Goals Continued...

## ▶ Enforcement

In 2016 WSP District 5 Troopers conducted 574 contacts for Out of State Registration

Results:

94 Citations

85 Correction Notices

393 Verbal Warnings

## ▶ Recovered Sales Tax By DOR

▶ 2015/2016 Fiscal year DOR recovered \$90,943.42 from WSP referrals

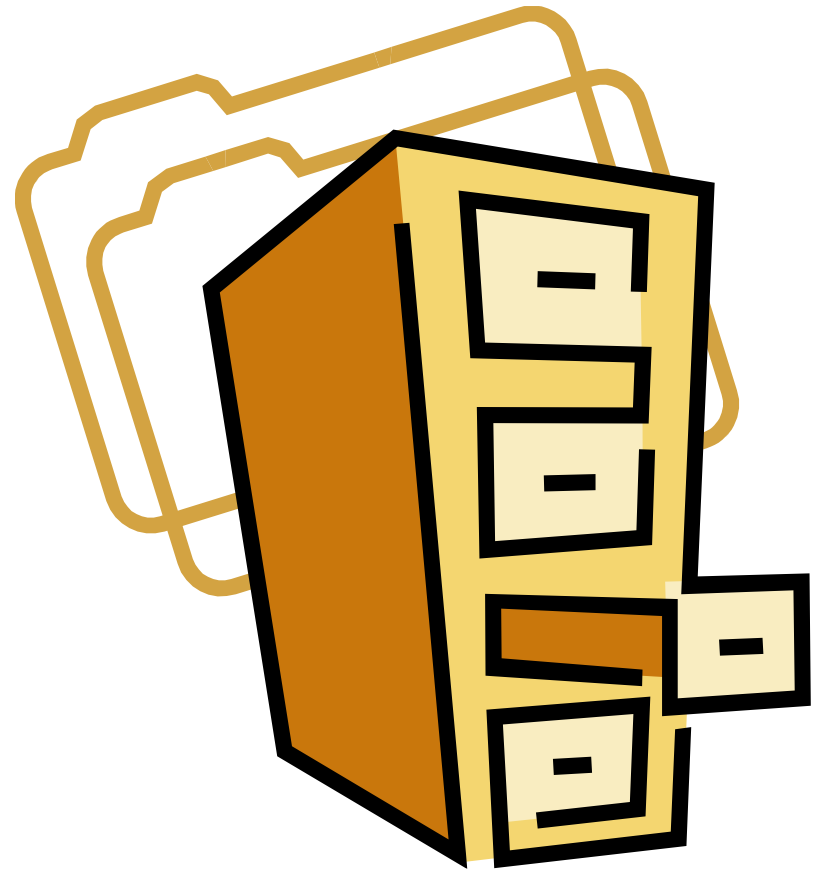
▶ 2016/2017 Fiscal year to May DOR recovered \$182,371.61 from WSP referrals

# Case Example

- ▶ Clark CO resident reported by neighbors with 4 vehicles purchased while living in WA but registered in OR
- ▶ Sent red post card in May 2016
- ▶ Contacted residence Sept 2016 given time to comply
- ▶ Failed to comply
- ▶ Stopped and cited 2 counts for the Infraction failing to initially register Nov 2016
- ▶ Contested the Infraction Jan 2017: 1 count found committed and 1 count dismissed
- ▶ Given additional time to comply
- ▶ Charged with 4 Counts License Fraud and 1 count of Perjury 1<sup>st</sup> degree
- ▶ Referred to DOR for the collection of sales tax

# LIU Tools

- ▶ CLIF
  - District 5 system currently contains 26,252 records of out of state plates
- ▶ Automated License Plate Reader



# ALPR

## ▶ Technology

- Downloaded and processed daily
- Benefits
  - Amber/Silver Alerts
  - Missing/Exploited Children
  - Stolen Vehicles



# Challenges Faced in LIU

- ▶ Available staffing for data processing and entry
- ▶ Some Oregon car dealerships encourage WA residents to license vehicles in OR to sweeten the deal
- ▶ Oregon Department of Motor Vehicles licensing allowances
  - Oregon titles registered to Washington Addresses
- ▶ Court Challenges
  - 48% Found committed
  - 11% Dismissed
  - 23% Not Committed
  - Of the Found committed, 30% fail to respond
- ▶ Infractions dismissed or found not committed
  - perceive the citation fine to be too high
  - Infractions are non-reducible

# Challenges continued...

- ▶ LIU is currently funded by money recovered for violations of RCW 46.16A.030
- ▶ Law Enforcement
  - Penalty perceived too high
  - Lack of understanding
    - Working with personnel to educate

# 2016 Revenue Recovered

- ▶ **Infractions/Fraud** \$70,000 (All Agencies)
  - License Fraud Account
- ▶ **Department of Revenue** \$182,371 (LIU)
  - General Fund
- ▶ **Postcards/Warning Flyers** \$460,000 (LIU)
  - Department of Licensing
    - **COMPLIANCE**



# Thank you!

## Any questions please call or email:

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