



Department of Justice



Office of Justice Programs

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OFFICE OF COMMUNICATIONS
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BUREAU OF JUSTICE ASSISTANCE OFFERS RESOURCE ON DAMAGED VEHICLES

Provides Consumers with Vehicle History Information

WASHINGTON – The Office of Justice Programs’ (OJP) Bureau of Justice Assistance (BJA) recommended today that in light of the anticipated high volume of flood-damaged automobiles in the aftermath of hurricanes Harvey and Irma, consumers educate themselves about a vehicle’s history before making any purchase decisions. Overseen by BJA, the National Motor Vehicle Title Information System (NMVTIS) is designed to prevent concealment of flood damage and other vehicle histories.

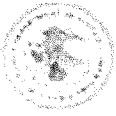
After past hurricane events, authorities reported truckloads of flooded vehicles being taken out of the impact zone where they were dried out, cleaned and readied for sale to unsuspecting consumers in states that do not brand flood vehicles. It is currently estimated that due to Hurricane Harvey and Hurricane Irma, as many as 1 million flood-damaged automobiles could potentially be passed on to unsuspecting buyers in the coming weeks and months.

The floods caused by or associated with these hurricanes have resulted in severe water damage to thousands of vehicles that can make electrical systems and airbag sensors prone to failure. Prior to purchasing a vehicle, NMVTIS allows consumers to find information on the vehicle's title, most recent odometer reading and brand history. A “brand” is a descriptive label that states assign to a vehicle to identify the vehicle's current or prior condition, such as “junk,” “salvage” or “flood” designation. By capturing into one system specific information from multiple entities such as state motor vehicle departments, insurance carriers, salvage auto auctions, automobile recyclers, and junk and salvage yards, NMVTIS offers states and consumers protection from title fraud and potentially unsafe vehicles.

“BJA remains committed to ensuring the consumer protection benefits provided by NMVTIS,” said Acting BJA Director Tracey Trautman. “We encourage prospective purchasers to consider obtaining a NMVTIS vehicle history report and have the vehicle checked by a trusted mechanic as part of making an informed used car-buying decision.” The list of approved NMVTIS vehicle history report providers can be found on the official NMVTIS website at: https://www.vehiclehistory.gov/nmvtis_vehiclehistory.html

The Office of Justice Programs, headed by Acting Assistant Attorney General Alan R. Hanson, provides federal leadership in developing the nation's capacity to prevent and control crime, administer justice and assist victims. OJP has six bureaus and offices: the Bureau of Justice Assistance; the Bureau of Justice Statistics; the National Institute of Justice; the Office of Juvenile Justice and Delinquency Prevention; the Office for Victims of Crime; and the Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking. More information about OJP and its components can be found at: www.ojp.gov.

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U.S. Department of Justice

Office of Justice Programs

Bureau of Justice Assistance

Washington, D.C. 20531

September 11, 2017

RE: Flood-Damaged Vehicles and Federal Enforcement of Reporting Requirements Regarding Businesses Engaged in Salvage and Total Loss Automobile Commerce

Dear Business Owner:

The Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) is responsible for the oversight of the National Motor Vehicle Title Information System (NMVTIS). BJA is appreciative of your continued commitment to report junk and salvage (including total loss) automobiles to NMVTIS as required by federal law. As you know, consumers rely on NMVTIS data to make informed buying decisions to avoid purchasing potentially unsafe used vehicles and to avoid paying more than a vehicle's fair market value. Therefore, your prompt and complete reporting is directly related to consumers' safety and protection from fraud.

As a result of the floods caused by or associated with Hurricane Harvey and Hurricane Irma, thousands of vehicles sustained severe water damage that can make their electrical systems, including their airbag sensors, prone to failure. NMVTIS is designed to prevent certain vehicle histories, such as flood damage, from being concealed. Therefore, we must work together to ensure that the reporting requirements are met and consumers are aware of the dangers associated with flood-damaged vehicles. As part of this effort, we are working closely with the American Association of Motor Vehicle Administrators (AAMVA) to encourage state titling agencies to take extra precautions to identify and brand flood-damaged vehicles and to query NMVTIS before issuing a title. Likewise, we must ask NMVTIS Reporting Entities to take all available steps to ensure that flood-damaged automobiles that they obtain are properly identified as being so damaged, so that they may be properly reported to NMVTIS.

BJA's Director has discretion in assessing a civil penalty for violations of NMVTIS reporting requirements. Some considerations that inform the exercise of this discretion, perhaps to aggravate a civil penalty, are whether non-reporting was due to negligent or intentional action/inaction of the NMVTIS Reporting Entity, and whether the associated automobiles resulted in a purchaser's being defrauded or injured. An important consideration that the Director may consider to mitigate a civil penalty is prompt reporting that shows an overall intent to maximize protections to consumers. We encourage NMVTIS Reporting Entities to submit NMVTIS reports on a daily basis (or as soon as possible, even before the deadline for reporting). In light of the anticipated high volume of flood-damaged automobiles, and the associated potential for widespread harm to consumers, BJA intends to closely monitor reporting of these automobiles.

BJA remains committed to ensuring the consumer protection benefits of NMVTIS. Thank you in advance for your efforts to ensure that information about flood-damaged automobiles is available to consumers before a vehicle is offered for resale or sold.

Sincerely,

Todd J. Brighton
Senior Policy Advisor
Bureau of Justice Assistance

