



September 29, 2016

**Registration and Title Bulletin # 009-16
Policy and Procedure**

TO: All County Tax Assessor-Collectors

SUBJECT: “Red Flag” Procedures

PURPOSE

To inform you of updated procedures for submitting suspected fraudulent transactions through the “Red Flag” program.

DETAILS

The “Red Flag” program allows county tax assessor-collector offices to submit suspected fraudulent title transactions for further investigation. Typically, the areas of focus when reviewing title applications for fraud include:

- alterations to titles associated with odometer readings or value limiting brands,
- counterfeit titles,
- fraudulent release of lien, and
- use of foreclosure liens such as a mechanic’s lien to “wash” lienholders.

We have recently observed an increase in instances of titles being issued prior to the “Red Flag” envelope arriving at the department.

COUNTY ACTION

Immediately request a rejection be placed on transactions identified as “Red Flag” through your local Texas Department of Motor Vehicles (TxDMV) Regional Service Center. If you identify a “Red Flag” transaction after the title has already been issued, please notify your TxDMV Regional Service Center, and indicate the title has already been issued. The department will place a Legal Restraint on the record when the title has already been issued to prevent further transfer until the transaction can be investigated.

Place the application in a specially marked “Red Flag” envelope or under a colored coversheet, and mail to the department as soon as possible to expedite the investigation. Please include a brief explanation describing why the application was submitted through the “Red Flag” program.

CONTACT

If you have any questions, please contact your local TxDMV Regional Service Center.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeremiah Kuntz'.

Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

JK:TT:TH