



# Red Flag Review Policy

## Purpose

The Texas Department of Motor Vehicles (TxDMV) Enforcement Division (ENF) maintains the highest level of service when accepting and processing Red Flag Review (RFR) submissions.

It is the policy of the ENF that all submissions be managed efficiently while optimizing department resources and facilitating communication with stakeholders. The ENF will refer potential motor vehicle title and registration fraud cases to external law enforcement agencies for further investigation when applicable.

## Scope

The ENF urges CTAC and RSC offices to rely on local law enforcement partners to report any instances of potential fraud. Working directly with law enforcement allows for quick action on potential threats against our citizens and industries.

This policy establishes the requirements and processes for county tax assessor-collector (CTAC) offices and TxDMV Regional Service Centers (RSC) to submit RFRs to the ENF.

## Policy

### 1.0 Submission Criteria

The RFR process is an alternative that allows CTAC and RSC offices to refer potential motor vehicle title and registration fraud claims for further review and referral when law enforcement is not immediately available. These cases are validated by designated ENF investigators, who will forward the cases to an external law enforcement entity for further investigation and prosecution if warranted. The following list outlines submissions that the ENF will accept for further research. The division director and chief investigator have the authority to accept submissions outside the outlined criteria on a case-by-case basis.

1. Instances of tampering with government records -
  - a. Altered or false vehicle evidence of ownership
  - b. Fraudulent or false information applied to any titling document
  - c. Fraudulent repairs listed on rebuilt affidavits
  - d. Fraudulent or altered forms of identification used to apply for title
  - e. Odometer rollbacks
  - f. False sellers or false dealers listed as seller
  - g. False address
  - h. Fraudulent statements of fact

2. Witnessing the acceptance of or soliciting a bribe.
3. Misuse or unlawful access to TxDMV databases, resources, or associated information.
4. Misuse or theft of TxDMV property, including related motor vehicle funds, license plates, registration stickers, or handicap placards.

The following items will not be accepted through the RFR program:

1. Referrals that involve dealer violations will be handled directly through the ENF Motor Vehicle Section. A dealer complaint may be submitted using the motor vehicle dealer online complaint system.
2. Customers who believe their signature has been forged will be directed to their local police or sheriff's department to report the offense.
3. Referrals that involve procedural inquiries can be remedied through a TxDMV RSC. The ENF does not provide guidance on VTR policies and procedures.

## 2.0 Submission Process

The process below has been established to ensure each referral is properly submitted and handled by the ENF.

1. Referral Process for County TAC personnel
  - a. If the CTAC does not have a law enforcement point of contact, or if law enforcement declines to take possession of the document, the CTAC should forward the document to ENF via a Red Flag Referral
  - b. Process the title transaction and collect the appropriate title and registration fees. Then, immediately reject the title transaction in RTS, which will place a rejection remark on the title record.
  - c. Complete a Red Flag Submission Cover Sheet (ENF-01). Include the following information:
    - i. Submitting county name and date of submission;
    - ii. Statement as to why the transaction was submitted as an RFR. Also, document any statements made by the customer submitting the transaction, which include any knowledge of the violation or admission of guilt.
    - iii. County TAC employee name, signature, and contact telephone number or email.
  - d. File an online RFR complaint. This will allow the ENF to assign a case number and allow tracking of the submission.
  - e. Mail all physical documents to TxDMV.
    - i. Red Flag Submission Cover Sheet.
    - ii. Original transaction with supporting documents.
    - iii. Any additional evidence that may support the allegation, such as copies of driver's licenses, bills of sale, or miscellaneous documents.
  - f. A CTAC may request information on the status of the referral by sending an email to [RedFlag@txdmv.gov](mailto:RedFlag@txdmv.gov). Please note: the email proxy should only be provided to customers regarding active red flag referrals. All other inquiries should be directed to their local

RSC.

## 2. Referral Process for RSC personnel

- a. Fraudulent documents should be seized.
  - i. The document(s) should be turned over to a local law enforcement agency if the RSC has a direct point of contact.
  - ii. If the RSC does not have a law enforcement point of contact, or if law enforcement declines to take possession of the document(s), the RSC should follow their internal procedures for documenting the transaction, then mail the document(s) to ENF with a Red Flag submission cover sheet.
- b. Complete a Red Flag Submission Cover Sheet and include the following information:
  - i. Submitting RSC location and date of submission;
  - ii. Statement as to why the transaction was submitted as an RFR. Also, document any statements made by the customer submitting the transaction, which include any knowledge of the violation or admission of guilt.
  - iii. The RSC employee name, employee signature, RSC management signature, and contact telephone number or email.
- c. Mail all physical documents to TxDMV.
  - i. Red Flag Submission Cover Sheet
  - ii. Fraudulent document.
  - iii. Any additional evidence that may support the allegation, such as copies of driver's licenses, bills or sales, or miscellaneous documents.

## Enforcement

A member from ENF will review each RFR submission, validate the allegation, and then forward the case to an external agency for further handling, if warranted. Should the submission not be properly submitted or meet the required criteria, it will be returned to the submitting office for appropriate action.

## Glossary

**Red Flag Review:** a process where suspicious titling documents received by the County Tax Assessor-Collectors or Regional Service Centers are submitted to CID for review and/or authentication.

**Odometer Fraud:** the illegal act of changing or altering the mileage readings on a vehicle to make it appear to have lower mileage (also known as odometer rollback).

**Title Fraud:** when an individual alters a vehicle title to misrepresent the vehicle's actual condition or provides false information to obtain a vehicle title.

## Associated Policies

### TxDMV Fraud, Waste, and Abuse Policy

