

Title Fraud

Over the last 12 months, Montana MVD Vehicle Services Bureau has seen an increase in vehicle fraud. As a result, MVD's Compliance Unit has partnered with peers in other states to reduce the number of vehicles falsely registered and titled in Montana.

“Bad actors generate false titles so that it can be registered with the National Motor Vehicle Titling System (NMVTIS) and sold in other states without generating any red flags.

MVD uses two different methods to invalidate false titles,

1. If the vehicle was not yet reported as being titled in another state, Montana MVD voided the title and removed the information from NMVTIS. Removing the title from NMVTIS makes it impossible for the bad actors to sell that that title again.
2. If the vehicle had already been reported as titled in another state, our compliance unit works with that jurisdiction's compliance unit to cancel the title and remove the data from NMVTIS.

Because there is an effective national system all MVDs check against, bad actors have moved away from using counterfeit titles. Instead, they are now using counterfeit Manufacturer Certificate of Origin (MCO). An MCO is nearly impossible to detect fraud on as the VIN has not yet been reported as registered, however, MVD has observed the following common data points:

- Vehicles are high end (i.e., Land Rover, McClaren, and other exotic vehicles)
- There are consecutive numbers in the last 6 of the VIN such as 123456
- MCO is older - for example a 2017 model year that is just now being titled
- All applicants are an LLC created in Montana through a registered agent

MVD communicated these findings to business partners, which resulted in the successful detection of counterfeit MCOs. MVD continues to work with outside agencies and business partners in the effort to reduce the fraudulent registration, titling, and sale of Vehicles in Montana and across the country.

Due to the recent rise in vehicle fraud MVD is implementing a quarterly report system. Each quarter the Compliance Unit will submit a report to the MVD Administrator detailing:

- Number of vehicle fraud incidents (broken down by type of fraud)
 - Number of fraudulent transactions initiated in Montana
 - Number of fraudulent transactions initiated in other state (broken down by state)
- List of entities committing fraud (broken down by state)
- Number of open investigations
- Number of resolved investigations
- Number of suspended Dealer Licenses