

From: Caldwell, John H
To: Adams, Marcia S <Marcia.Adams@SCDMV.net>
Date: 8/17/2010 12:43:44 PM
Subject: RE: bad checks

Thoughts to don hottel

Don, I assume your email is in response to Len Callahan's email to all members of the Legislature. First let me say that his last day of employment with DMV was November 16, 2009. Due to a confidential agreement regarding the terms of his separation, I cannot comment on his employment with the agency. If you would like to review this agreement, you may request a copy under the Freedom of Information Act.

The DMV does receive a number of checks returned for non payment. The total amount of money is less than two million dollars since 1999. When a check is returned we send a letter to the customer requesting payment within a specific time period. At the same time a "cash alert" for the customer is put on our system and only cash or certified funds are accepted for the next five years. If we do not receive payment, a second letter is sent to the customer informing them that if payment is not received within a specific period of time we will send the information to the Department of Revenue for there debt set off program and will continue to do this annually as long as the check is unpaid.

A different procedure was used in the late 1990's. If a check was returned, the dl of the customer was suspended. Later in 1999 the agency was sued for suspending a dl and this procedure was stopped.

In my review of title 56 we are not given authority to re-suspend the driver license for a returned check.

Our legal staff has also reviewed this and in their expert opinion they say the law is unclear. There suggestion was to not re-suspend for a returned check as it was determined in 1999..

The agency is looking at different ways to insure the collection of any uncertified check accepted or even not accepting an uncertified check if funds are not available. The technology is available. It may be necessary that we request legislation to be able to cover a nominal fee that will be charged for each transaction that is scanned.

From: Don Hottel [mailto:DonHottel@schouse.gov]
Sent: Thursday, August 12, 2010 1:15 PM
To: Caldwell, John H
Subject: bad checks

John,

We have gotten some information that claims that SC DMV does not "resuspend" licenses or plates if the check (for reinstatement fees) is returned from a bank; hence, possibly allowing people to escape the law. The claim is that this may range in the thousands and that DMV is aware of it.

Please be aware that part of this is focused on Ms. Adams (that she knows, etc.)

We wanted to check this through with you as to what you think about it.

Don Hottel
House Research