

From: Caldwell, John H  
To: Adams, Marcia S <Marcia.Adams@SCDMV.net>  
Earley, Jr., Jimmy E <Jimmy.Earley@SCDMV.net>  
Date: 7/20/2010 2:24:23 PM  
Subject: FW: Website email from Len Callahan to ALL House Members

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From Rep. Huggins. Response from Len

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From: Chip Huggins [mailto:ChipHuggins@schouse.gov]  
Sent: Tuesday, July 20, 2010 12:08 PM  
To: Caldwell, John H  
Subject: FW: Website email from Len Callahan to ALL House Members

John,  
See Mr. Callahan's email response below – what do we need to do to correct this situation?  
Thanks for your time.  
Chip

Chip Huggins  
SC House of Representatives  
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ChipHuggins@schouse.gov  
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From: C L CALLAHAN [mailto:ptequalizer9@bellsouth.net]  
Sent: Tuesday, July 20, 2010 10:23 AM  
To: Chip Huggins  
Subject: Re: Website email from Len Callahan to ALL House Members

Chip,

Thank you for sending Mr. Caldwell's response to me I really appreciate it.

His comments on "He implies that we do not make a serious effort to collect these payments." were totally incorrect. I know that DMV does a good job in their efforts on collecting bad checks. That is not the issue!

But since he brought up the prevention issue "Just recently, SCDMV made the policy decision to not accept personal checks for any payment of \$1,000.00 or more. In these cases, customers must present a certified check, cash or money order for payment." it is important to know that less than two percent of all checks received are for \$1,000.00 or more. While this is encouraging to here it falls severely short in attempting to stop bad checks for reinstatement fees. The majority of reinstatement fees are for \$50, \$100, \$200 and \$400. SC Code Section 56-3-860 is below and clearly gives authorization to the Director of the Department for accepting uncertified checks and that is what Ms. Adams does.

**SECTION 56-3-860. Accepting uncertified checks for license fees.**

The Department of Motor Vehicles may, in the discretion of the director of the department, accept uncertified checks of an applicant-owner in payment for license fees charged for the issuance of

license plates for motor vehicles, trailers, semitrailers, pole trailers and motor vehicle dealers.

If DMV is starting a new policy on checks above \$1,000.00 then why not have another policy to require certified funds on all reinstatement fees. That would eliminate approximately 30-40% of bad checks written to DMV and

approximately 50% of the total amounts the bad checks were written for.

Mr. Caldwell confirmed in his response that before 2003 when DMV was a Division of the Department of Public Safety that enforcement of re-suspending for receiving bad checks was done. There was legal authority before

and then Ms. Adams stops it.

Please see SC Code Section 56-3-870 below:

**SECTION 56-3-870. Procedure if uncertified check is returned unpaid.**

If an uncertified check is accepted by the Department of Motor Vehicles as payment for the fees due on account of the issuance of license plates and such check is returned to the Department unpaid for any cause whatsoever, the Department may suspend or cancel the registration and license purchased by check and repossess the registration card, license plates or other documents issued by the Department, and the applicant-owner shall pay to the Department the amount of ten dollars to cover the cost of repossession and collection if the license and registration are suspended or canceled.

This Code Section is clear and if DMV's Office of General Counsel has concerns then maybe the State Attorney Generals Office should assist them with clarification.

I will continue to pursue this issue and hope that the S.C. Legislature will address this problem

Thanks,

Len

Sent: Mon, July 19, 2010 4:22:08 PM  
Subject: RE: Website email from Len Callahan to ALL House Members

Len,  
Below is the response to your concerns.  
Chip

I wanted to take a minute to provide you with some additional information regarding the email from Mr. Len Callahan.

In his email, Mr. Callahan states that SCDMV is ignoring a serious problem that threatens the safety of the driving public. He states that many customers pay fees to reinstate a driver license or vehicle registration/plate with a personal or business check. If that check is later returned for insufficient funds, DMV fails to re-suspend the license or vehicle registration. He implies that we do not make a serious effort to collect these payments.

It is true that a number of checks made payable to DMV is returned for insufficient funds. Of course, we make every effort to collect these funds. At least one letter requesting payment is mailed to each customer who has written a bad check. "Cash Only" alerts are placed on a customer's record if they have written bad checks in the past. We do not continue to accept personal checks from these customers. SCDMV works with the Department of Revenue to collect any debts owed to us through the Debt Set Off program. We have also been exploring options for electronic check processing and verification. Just recently, SCDMV made the policy decision to not accept personal checks for any payment of \$1,000.00 or more. In these cases, customers must present a certified check, cash or money order for payment.

Regarding the issue of re-suspending a customer's license or vehicle registration due to a returned check, it is important to note that SC law does not clearly grant us that authority.

Shortly after SCDMV became a cabinet agency in 2003, our Office of General Counsel recommended that we not re-suspend a license or vehicle registration due to a returned check.

There are a number of issues to be addressed and considered, including proper notice for a re-suspension and the appellate process for these suspensions. While specific statutes appear to give us authority to re-suspend a DMV issued product for non-payment, it is not clear if these statutes may be applied to all products throughout Title 56, such as a driver license.

Several months ago our Director, Marcia Adams requested that our Office of General Counsel research this issue again and provide a written opinion as to whether or not SCDMV can re-suspend a driver license and/or a vehicle registration if a returned check has been submitted for payment. Marcia requested that our Office of General Counsel provide her with an opinion by the end of July so that we could resolve this issue and take appropriate action when a check is returned.

I hope this answers some of the questions that you may have about the email. If I can provide any additional information or answer any questions, please contact me at 896-5615.

John Caldwell

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**From:** C L CALLAHAN [mailto:ptequalizer9@bellsouth.net]  
**Sent:** Friday, July 16, 2010 5:22 PM  
**To:** Chip Huggins  
**Subject:** Re: Website email from Len Callahan to ALL House Members

Chip,

Thank you for your response!

I am ok with this information being forwarded to anyone that can act on this and correct this problem. Hopefully, Ms. Adams will take immediate action on this.

Thanks again,

Len

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**From:** Chip Huggins <ChipHuggins@schouse.gov>  
**To:** "PTEQUALIZER9@BELLSOUTH.NET" <PTEQUALIZER9@BELLSOUTH.NET>  
**Sent:** Fri, July 16, 2010 9:05:03 AM  
**Subject:** RE: Website email from Len Callahan to ALL House Members

Len,  
Are you ok with me forwarding your email? I need to send this to the appropriate folks at DMV.  
Thanks for emailing me.

Chip  
Chip Huggins  
SC House of Representatives  
District 85 - Lexington County  
(803)732-2200(Work)  
(803)734-2971(Legislative Office)  
(803)331-8468(Cell)

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**From:** [PTEQUALIZER9@BELLSOUTH.NET](mailto:PTEQUALIZER9@BELLSOUTH.NET) [[PTEQUALIZER9@BELLSOUTH.NET](mailto:PTEQUALIZER9@BELLSOUTH.NET)]  
**Sent:** Thursday, July 15, 2010 9:53 AM  
**Subject:** Website email from Len Callahan to ALL House Members

To All: I am Len Callahan and retired from State Government last November. I worked for the South Carolina Department of Motor Vehicles from October 2004 until I retired on November 16, 2009. My position was Revenue manager. I am writing to inform you of a very serious issue at DMV that needs correcting before unnecessary injuries or deaths occur on our highways in South Carolina. The Director of DMV is Marcia Adams. Ms. Adams has known about this issue and has done nothing to correct it. The issue has to do with drivers license and vehicle license plates. South Carolina Code of Laws Title 56 Chapter 10 has many provisions for suspensions and requirements to pay reinstatement fees (penalties) when applicable. The SCDMV accepts payment of these numerous fees and after receiving payment the drivers license and/or plate suspension is removed. The most common method of payment is by personal or business check. However, when the check written for a suspension removal is returned by the bank for insufficient funds, account closed, etc. DMV does not resuspend the driver or vehicle. This practice is allowing for thousands of drivers or vehicles to be on the roads illegally. There are approximately 10,000 outstanding bad checks that are due to DMV and of these at least 3 to 4 thousand are related to reinstatement fees. This information may be obtained at SCDMV through the Freedom of Information Act. I encourage you to act on this and enforce the South Carolina Laws that protect us. Thank you in advance for any and all attention given this misconduct by a Director of a State Agency, Len Callahan

Len Callahan  
121 Golden Ridge Trail

