



OHIO BOARD OF MOTOR VEHICLE REPAIR BOARD MEETING MINUTES

MAY 17, 2017 10:00 AM

Vern Riffe Tower
77 South High Street
19th Floor, Rm. 1914
Columbus, Ohio 43215

1. **MEETING WAS CALLED TO ORDER AT 10:00AM.**
2. **INTRODUCTION OF MEMBERS & GUESTS PRESENT:** Christopher Sterwerf, Keenan McKee, Scott Murray, Mary Katris, Don Rife, Mike Greene, Kimberly Sherfield, Theresa Peppers, Craig Robinson, Jennifer Johanson

Welcoming of new board member Mary Katris
3. **REVIEW OF FEBRUARY 15, 2017 MEETING MINUTES:**

MOTION TO ACCEPT: SCOTT MURRAY
SECOND: KEENAN MCKEE
MOTION CARRIED
4. **BOARD REVIEW AND DETERMINATION RE: PENDING REGISTRATION APPLICATIONS:**

A. Vote by Board on regular registrations pending from February 1, 2017 through April 30, 2017.

MOTION TO ACCEPT: SCOTT MURRAY
SECOND: DON RIFE
MOTION CARRIED
5. **OTHER BUSINESS:**

A. Investigator's Reports – Craig Robinson

YEAR TO DATE ACTIVITY TOTALS
THROUGH MAY 17, 2017
Investigator Craig Robinson

Shop Visits	523
Renewal Reminder	83
NOV's	195
New Shop Applications	61
Complaints Investigated	71 (Involving 71 Shops)
Shops Located "Out of Business	17
Total counties visited to date:	42

ROBINSON: During this period, I also worked with Stark County Common Pleas Court involving an unregistered shop. Worked with the Ohio Department of Taxation involving a Summit County unregistered shop.

GREENE: Craig was also working a shop in Youngstown; I sent the press release out on two weeks ago, that has been indicted on weapons charges; shipping weapons to Mexico. The shop was actually just a cover for the trafficking weapons. Craig was the first one there.

ROBINSON: The guy was a real, for lack of a better word, was a real peace of work. It was all smoke and mirrors. A lot of agencies were involved and in fact the last time I was up – Youngstown PD was involved as well. A lot of people were glad to have a part in this. It was nice a multiagency operation.

STERWERF: That's great to hear. It's nice to see different organizations working together and having a positive outcome.

Jennifer do you have anything to report?

JOHANSON:

YEAR TO DATE ACTIVITY TOTALS
THROUGH MAY 17, 2017
Investigator Jennifer Johanson

Shop Visits	479
Renewal Reminder	68
NOV's	145
New Shop Applications	51
Complaints Investigated	28 (Involving 27 Shops)
Shops Located "Out of Business	30
Total counties visited to date:	34

PEPPERS:

YEAR TO DATE ACTIVITY TOTALS
THROUGH MAY 17, 2017
Investigator Assistant Theresa Peppers

Failure to Comply letters	15
Notice of Violation Letters	20
Failure to Renew Letters	30
Renewal Applications	15
Expired COI Letters	10
Intro Packets	10
Complaints	8

- B. Attorney General's Report – AAG Barry McKew – Nothing to Report
- C. Director's Report – Mike Greene – (PLEASE SEE ATTACHED)

FY17 TOTAL REVENUE:

We're going to have \$12,000 to encumber into the next fiscal year left over.

FY18-19 Budget Testimony

February 22nd: Testimony went really well. As you know, there was an amendment in there to get rid of the board; that amendment was taken out before HB 49 passed the House. It went to the Senate and so far the Senate hasn't put anything new in.

May 4th: That testimony went pretty well; they asked a few questions. So far there hasn't been any amendments or anything to do with the board other than fund us.

The Department of Taxation Investigation

They gave me a heads-up on this investigation mainly to keep the investigator out there for a while they did some undercover investigations. It appeared to them that they already had several possible felonies on the owner so far. They just opened up the investigation. I expect that to get even bigger when it comes out.

MCKEE: Where you able to get the Safelite thing handled that they asked for last time?

GREENE: Yes.

MCKEE: Ok, so all of that worked.

GREENE: They are all taken care of.

MCKEE: Ok. Great

GREENE: Yes, they are in good shape.

6. OLD BUSINESS:

- A. Bureau of Labor Statistics Report

STERWERF: Still working on the data – will have available for the next meeting. Will show the administrative staff how to run the report for future meetings.

DISCUSSION

7. NEW BUSINESS:

GREENE: I recently had a shop owner inquire about – they've started doing core charges on body parts. There has always been core charges on starters, etc. I'm not sure about body parts?

MCKEE: It's been about two years for us.

GREENE: Has it been that long?

MCKEE: Yes. It was really slow at the beginning. Two years ago, it be 15 parts it was only 15 bumpers. It's only on stuff they recon; that's the whole goal. They can say it's for recycling; it's not. It's to keep from reconning parts because the headlights, tail lights, front bumpers and rear bumpers is what they core. They want them back so they can't be taken by triplet, refurbished and resold. That's the whole point. I will tell you this, I assume from your side too, it's an absolute mess. It is horrible and the dealerships hate it too because they have to store the stuff just the same.

RIFE: Yeah, we have to store it, mark it ...

MCKEE: Make sure you get it back

RIFE: Sometimes it's on makes you don't repair a lot so then you have to wait for them to come back it; and there is the potential to lose that part or mistakenly throw it away. You can't identify it as a core.

MCKEE: And on headlights and tail lights they have to be in the box. If you damage the box, they won't take them back.

RIFE: I will say on parts that are non-core; bumper covers and headlights, we destroy. We cut them in half or smash them so they can't be reconned. We try to do the same, effectively do the same thing.

GREENE: The question I got from the shop owner was "is that something that's legal?" I'm not sure how to answer that.

MCKEE: I was told by the OEM's, because I asked them this when we had our meeting, that it is a recycling initiative and that that's why they were doing it. I don't know if anything can be done as long as they word it like that. They said that they were just trying to help the environment. If you were trying to help, you would do everything.

STERWERF: The other side of that too is if you send back the core between that flag period; there are some parts that they reuse or rehab or refurbish but sometimes the core is not good enough and it will be denied. You're talking about \$5000 to \$6000 a quarter for some parts.

MCKEE: The good thing about ours on the body side is if I have a sliver of a bumper, the sheriff's department actually told the customer to leave the bumper on the side of the road, that they didn't need it with all of the clips and everything. Which we contacted the sheriff's department and let them know "hey, you don't tell anybody to leave somebody on the side of the road. Why would you say that?" That makes no sense to me. With that being said, we didn't have anything to send back. We didn't even have a sliver; so we actually turned around and I contacted Safe Auto let them know at that time that – I guess they've got to pay for a core charge because I'm not. They weren't happy about it, they said they were going to contact on

their side but they paid it so, I don't know. They told us if I could get a sliver, it doesn't matter, just something that they'll accept it. I haven't ran into an issue other than its just missing, yet.

STERWERF: It all comes out in documentation.

MCKEE: It does.

STERWERF: You let the insurance company know what the situation is.

MCKEE: It's a nightmare on our side. I don't have enough room to store parts as it is, let alone parts if it's a manufacturer we don't deal with a whole lot. Our Chrysler dealer is in Columbus, we're 90 miles from them and if they don't have room in their truck when they happen to deliver our parts, they won't take them. There's times when they'll sit there for two or three months and I've already paid it by that time. It is frustrating.

STERWERF: It all depends on the estimating system. If the estimating system is not included or included in the operation. To deal with that stuff.

GREENE: I'm assuming that the dealers can do whatever they want. I wanted to make sure and I wanted to have a discussion about it so that we'll have an answer if it comes up again. This is the first time I've heard of it.

MCKEW: This is the first I've heard of it, so I don't know what federal laws or consumer laws might be applicable. Sorry I just don't have that knowledge.

GREENE: It's been happening for a couple of years.

RIFE: It was an issue as to whether that core is taxed or not. I don't remember the details of that, but that was an issue for some.

MCKEE: I noticed that because now they've actually pulled that out of the invoice and there's separating it because they used to tax it. It was a nightmare because I had to do a return in the system.

RIFE: It should be just a wash.

MCKEE: Correct! If it's a \$100 core, they pull it out of the tax side and it's just a straight \$100 and they refund straight \$100.

RIFE: So one of the issues was we were going back to the insurance company and say "you owe that tax" and they were arguing about that. I don't know if it's been cleaned up or not.

MCKEE: I know Chrysler is doing it different and I know my GM dealer is, now I don't know if that is more on a dealer thing because it was that type of thing where we were contacted by an insurance company about this. I contacted my dealer and he said no problem. It seems odd for them to do it like that but they handled it. I don't know if that's an industry wide thing or not, but that was a problem.

STERWERF: I'm not certain that there's any state legislation.

MCKEW: I can't even think of an agency in the state that would have authority over this type of topic. It's a non-state issue.

MOTION TO ADJOURN: KEENAN MCKEE
SECOND: SCOTT MURRAY
MOTIONED CARRIED

ADJOURNMENT: NEXT BOARD MTG. – AUGUST 16, 2017, LOCATION:
Vern Riffe Tower, 77 South High Street, 19th Floor, Room 1914, Columbus, 43215.

DIRECTOR'S REPORT
May 17, 2017

- I. **FY17 Total Revenue** = \$384,521 (Arrears = \$22,161)
 - A. FY16 Total Revenue = \$340,287 (Arrears = \$24,530)
 - B. Increase = \$44,234

- II. **1857 Current Registrations**

- A. 1431 Collision Shops
- B. 178 Glass Shops
- C. 46 Dealers
- D. 47 Mobile Businesses
- E. 1 Airbag Business
- F. 25 Mechanical
- G. 129 Tint Installers
(Total Businesses in E-Licensing System = 4467)

- III. **Non-Compliance**

- A. 222 "Not Registered" under investigations

- IV. **Complaints Forwarded**

<u>AGENCY</u>	<u>2017</u>
OAG	3
EPA	5
TAX	6
BWC	3
NICB	4
DOI	0
IRS	3
BMV	0
OSHP	0
BBB	16

- V. **Other News**

- A. FY18 – 19 Budget Testimony
 - 1. Feb. 22nd – Testified before the House Finance Sub-Committee on Transportation
 - 2. May 4th – Testified before the Senate Finance-General Government & Agency Review Sub-Committee.
- B. A shop owner in Youngstown was indicted on Federal Firearms violations for shipping fully automatic sniper rifles to Mexico.
- C. The Department of Taxation is investigating another shop we turned over to them. They advised me last week they had several possible felonies on the owner thus far.