

Topic: Formation of LLC's for License Plates
 Question by: Rebecca Longfellow
 Jurisdiction: Indiana
 Date: April 23, 2013

Jurisdiction	Question(s)
	<p>Indiana has seen an issue regarding the formation of LLCs for the sole purpose of taking the documentation to the BMV (bureau of motor vehicles) to plate the vehicle as a “corporate” car. All of the LLCs that were formed were named with a first and last name, LLC. Illegal aliens then paid a broker who would take the SOS paper work to the BMV and plate the vehicle.</p> <p>There were over 3000 LLCs that were formed for this purpose. We have learned that those seeking the plates did not necessarily realize that a business entity was formed in their name and with their signature.</p> <p>The U.S District Attorney brought charges against 5 individuals involved in the brokering of the plates and all were convicted on charges of Harboring and Mail Fraud. The individuals convicted in this case were Omar Duran, Margarito Fuentes, Luis Montes, Yalitz Exclusa and Eveyln Rivera. Sentencing will be this May.</p> <p>The District Attorney’s Office, Homeland Security, BMV Indiana State Police and SOS are now working to determine if there is a way to prevent further abuse of our agencies.</p> <p>I am wondering if any other states have had this issue, and if so has it been addressed and in what way. As always, thank you for your time and input! See article below for details.</p>
Manitoba	
Corporations Canada	
Alabama	
Alaska	
Arizona	Arizona Corporation Commission is not aware of this occurring here, but, like Nevada, we have forwarded to our Dept. of Transportation for review.
Arkansas	
California	
Colorado	Colorado is not aware of this issue in our state. We intend to reach out to DMV and see if they see anything like this in their records. We'll let you know if we hear anything differently in the next couple of weeks.

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Connecticut	<p>In Connecticut there is anecdotal evidence that there may be folks misusing the administrative registration process to benefit people who are not documented citizens. As a ministerial office we have no authority to question the purpose behind a filing; if a form is adequately completed, we must file it. We have fielded no questions from our DMV regarding the issue. Interestingly, there is a somewhat controversial bill working through our legislature at present seeking to allow undocumented residents to get drivers’ licenses. The main purpose of the bill is to curb the number of uninsured drivers on the road. I presume the premise is that undocumented residents are driving anyway, but without being licensed they are uninsurable. If they were licensed to drive, they would no longer be forced off the grid in the insurance market. This is expected to ensure that fewer of Connecticut’s drivers are subject to involvement in motor vehicle accidents involving uninsured drivers, and it will thereby also have the effect of lowering insurance costs for everyone in the pool while also lowering other outlays by the state. Of course, getting a driver’s license (either by illegal means misusing the registry or through legitimate means if this bill passes) will also pose challenges in that some folks will likely be able to utilize that official status to obtain other perks of legal citizenship, such as access to banking, government services, etc.</p> <p>I suppose if the bill were to pass, the illicit registration activity presently occurring would no longer be illegal.</p>
Delaware	<p>We've shared it with DMV and they're discussing it with their staff to determine if there's any issue</p>
District of Columbia	<p>In the District of Columbia we have not been informed by our DMV’s office about this problem.</p> <p>I suspect some of the customers who are forming LLCs may be trying to use it for that purpose but there is no hard</p>
Florida	
Georgia	

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Hawaii	I have not heard of this happening in Hawaii.
Idaho	
Illinois	
Indiana	
Iowa	
Kansas	
Kentucky	
Louisiana	In Louisiana vehicle licensing is not handled by the Secretary of State.
Maine	
Maryland	
Massachusetts	Massachusetts has not seen this scam.
Michigan	In Michigan we are not aware of this occurring and I have no record of entities including in the entity name the individual names listed below.
Minnesota	
Mississippi	
Missouri	

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Montana	<p>This has not been an issue in Montana that either myself or this office has been made aware of. I have called the Montana Vehicle Licensing, Department of Justice to inquire about this, but have not received an answer yet. As I get more information I will respond with that information.</p>
Nebraska	
Nevada	<p>We are not aware of this happening in Nevada. We have forwarded to the DMV to see if this is something they have experienced.</p>
New Hampshire	<p>I’m not aware of this cropping up in New Hampshire.</p>
New Jersey	
New Mexico	
New York	
North Carolina	<p>The North Carolina DMV (Department of Motor Vehicles) contacted us in January of 2012 after noticing this type of work around to get a motor vehicle licensed. The NC DMV wanted to know at that time if they were satisfying all corporate requirements when creating. I am not sure what the NC DMV decided to do after we told them that we couldn't identify a fraudulent use with the information required to create a business entity. I don't know if the names of the entities were first and last names either. The person at NC DMV who contact us was Danny Barlow and I don't know if he is still there.</p>
North Dakota	<p>Here in North Dakota, vehicle licensing is not handled by the Secretary of State. We are not aware of similar situations in our state. The previous email was sent to our Department of Transportation to make them aware.</p>

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Ohio	<p>I recently attended a meeting with the Ohio BMV to discuss a similar problem here. At this point the Ohio BMV is working to change their policies to prevent fraudulent registrations and we will be working with them during this process. It is interesting to read your email as I was completely unaware of this problem until my first meeting with the BMV last month. I suspect the change to the BMV policy will likely lead to more business registrations in our office. Our office does not have enforcement authority over the businesses filed with our office, so if they properly complete the formation document then we will accept the filing. I suspect we will continue to work with the BMV as they identify fraudulent business entities, but without a court order cancelling the business, they will remain active on our records.</p>
Oklahoma	<p>Oklahoma SOS has not seen this activity.</p>
Oregon	<p>Oregon hasn't</p>
Pennsylvania	<p>Pennsylvania is unaware of this happening here but will be forwarding the email to the Department of Transportation for their information.</p>
Rhode Island	<p>Rhode Island is not aware of this problem. Our DMV has not reported this type of activity to our office; however, we did forward a copy of your email to the Director. We have not received a response.</p>
South Carolina	
South Dakota	
Tennessee	
Texas	<p>We are not aware that this is an issue in Texas.</p>

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Utah	
Vermont	
Virginia	
Washington	Washington Dept. of Licensing has not seen this yet.
West Virginia	
Wisconsin	I have not heard of this happening in Wisconsin.
Wyoming	Wyoming SOS has not seen this kind of activity.

Additional comments:

Hi Rebecca,

Can you clarify one point? Were the LLC names and the signatures that of the illegal aliens or of some unsuspecting third party?

Thanks.

Dan

Professor Daniel S. Kleinberger | Founding Director, Mitchell Fellows Program

Reporter, Uniform Law Conference Drafting Committee on

Series of Unincorporated Business Entities

Co-Reporter, Uniform Law Conference Project for

Harmonization of Business Entity Acts

NOVA SCOTIA:

Rebecca:

I too provided the information to the Registrar of Motor Vehicles in Nova Scotia. It is not an issue we have seen here. It was not immediately clear to us the benefit the registrants were seeking to achieve through this.

Hayley

Full text of email:

Hi all,

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Rebecca Longfellow

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June 22, 2012

South Bend, IN

6 arrested in Indiana for conspiring to harbor illegal aliens

SOUTH BEND, Ind. — Six people were arrested Wednesday and charged with harboring illegal aliens as part of a conspiracy that allegedly obtained motor vehicle registrations, license plates and titles for illegal aliens. These arrests resulted from an investigation conducted by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) and the U.S. Postal Inspection Service.

The following defendants were each charged in an indictment returned June 14 with one count of conspiracy to harbor illegal aliens and one count of conspiracy to commit mail fraud: Margarito Fuentes-Reyes, 50, of Goshen, Ind., and Omar Lagunes Duran, 34, Yalitz Exclusa Borrero, 31, Evelyn Rivera Borrero, 43, Raul Rafael Roman Camacho, 47, and Luis Omar Montes-Merino, 33, all from Indianapolis.

The indictment alleges that the defendants presented false information, forged documents and made false representations to the Indiana Bureau of Motor Vehicles and the Indiana Secretary of State. They also made false representations regarding the identity of the actual owners of motor vehicles to obtain motor vehicle registrations, license plates and titles. By committing these and other crimes, the defendants concealed, harbored and shielded illegal aliens from detection and encouraged illegal aliens to enter and remain in the United States in violation of immigration laws. The conspirators operated at locations in Indianapolis and Elkhart, Ind.

The following agencies assisted HSI and the U.S. Postal Inspection Service in the investigation: the Indianapolis Metropolitan Police Department, the Elkhart Police Department, the Indiana State Police, the Indiana Bureau of Motor Vehicles and the Indiana Secretary of State. Assistant U.S. Attorneys for the Southern District of Indiana also provided assistance.

The public is reminded that the charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.