

# Licensing Division

## Staff Report for the Towing and Storage Advisory Board June 9, 2022

### Personnel Update

Gabby Machado resigned effective April 30, 2022. We are conducting interviews for replacement.

### Statistics

Tow Trucks	New	Renewed	Online Renewal	Population
FY 2021	3389	7177	99%	11573
FY 2022 (1 <sup>st</sup> Qtr)	928	1880	98%	11709
FY 2022 (2 <sup>nd</sup> Qtr)	854	2334	96%	11797

Tow Companies	New	New % Online	Renewed	Online Renewal	Population
FY 2021	997	93%	6798	94%	4339
FY 2022 (1 <sup>st</sup> Qtr)	309	94%	1685	93%	4397
FY 2022 (2 <sup>nd</sup> Qtr)	315	94%	1944	95%	4432

### Active Tow Company and Tow Truck Population Numbers by Type of Towing

Type of Towing	Company	Tow Truck
Consent	1873	3603
Private Property	173	398
Incident Management	2003	7858
Total**	3971	11859

\*\*As of 5/24/2022

Vehicle Storage Facilities	New	New % Online	Renewed	Renewed % Online	Population
FY 2021	149	83%	3101	91%	1890
FY 2022 (1 <sup>st</sup> Qtr)	66	83%	793	90%	1948
FY 2022 (2 <sup>nd</sup> Qtr)	36	85%	868	90%	2000

Tow Operators	New	New % Online	Renewed	Renewed % Online	Population
FY2021	3705	98%	9274	99%	14746
FY2022 (1 <sup>st</sup> Qtr)	1065	98%	2272	99%	14912
FY2022 (2 <sup>nd</sup> Qtr)	985	98%	2196	99%	15129
FY2021 Consent	1646	99%	2473	99%	4902
FY2022 (1 <sup>st</sup> Qtr)	474	99%	639	99%	4949
FY2022 (2 <sup>nd</sup> Qtr)	333	99%	601	99%	5100
FY2021 Private Property	76	97%	191	100%	313
FY2022 (1 <sup>st</sup> Qtr) Private Property	22	100%	48	100%	313
FY2022 (2 <sup>nd</sup> Qtr) Private Property	20	95%	39	97%	309
FY2021 Incident Management	1983	97%	6610	99%	9531
FY2022 (1 <sup>st</sup> Qtr) Incident Management	569	98%	1585	99%	9650
FY2022 (2 <sup>nd</sup> Qtr) Incident Management	483	97%	1556	99%	9720

Vehicle Storage Facility Employees	New	New % Online	Renewed	Renewed % Online	Population
FY2021	725	99%	1667	99%	2537
FY2022 (1 <sup>st</sup> Qtr)	222	99%	373	99%	2589
FY2022 (2 <sup>nd</sup> Qtr)	215	99%	403	99%	2668

## Current Projects

Tow and VSF email counts

FY 2022

September	267
October	275
November	190
December	199
January	205
February	173
March	252
April	244
May*	131
Total	1,936

\*As of May 23, 2022



# Customer Service Division

## Staff Report for the Towing and Storage Advisory Board

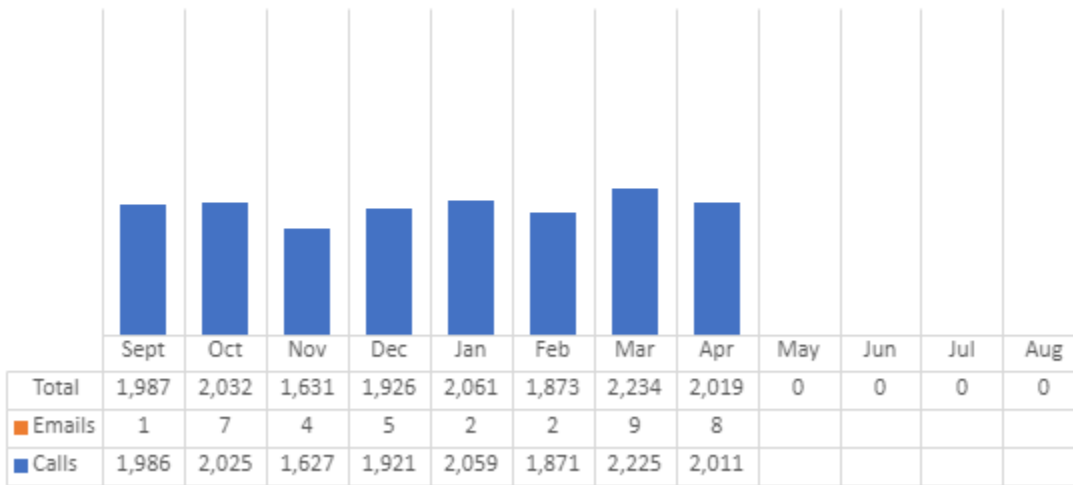
June 9, 2022

### **Personnel Update**

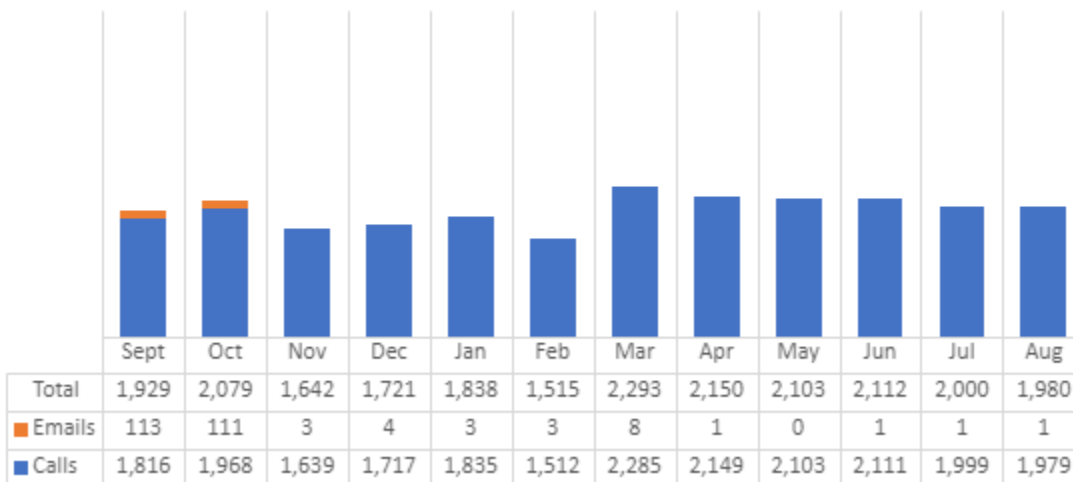
The Customer Service Division has hired two Customer Service Representatives (CSR) IIIs who began their onboard training on May 2<sup>nd</sup>. There is currently a job posting for an additional Customer Service Manager and for three CSR IVs.

## Statistics

### TOW/VSF CUSTOMER SERVICE CONTACTS FISCAL YEAR 2022



### TOW/VSF CUSTOMER SERVICE CONTACTS FISCAL YEAR 2021



## Enforcement Division

### Staff Report for the Towing and Storage Advisory Board

June 9, 2022

#### **Personnel Updates:**

- Karen Cox retired January 31, 2022, after 17 years with TDLR and over 30 years working in State Government which include stints at the Texas Workforce Commission, Texas Department of Transportation, and the Texas Railroad Commission. She was promoted to Senior Prosecutor in, January 1, 2019, where she helped oversee and mentor attorneys within the Enforcement Division. She also helped develop and facilitate our expert witness training program utilized by the Health Professions Program. She will be greatly missed, but we wish her well in her retirement.
- On February 15, 2022, Robert Nino was promoted to the Investigations Team Lead Supervisor position for the South Region. Robert has worked for TDLR for over 14 years with vast knowledge and experience on case investigations, sting operations and working on very complex cases. Robert also assisted in the training and mentoring on newly hired investigators. Robert has had nearly 38 years of experience as an investigator and auditor with both federal and state government, as well as private industry.
- On May 1, 2022, Jessica Hurtado was promoted to Senior Prosecutor. Jessica has been with TDLR for over 4 years and has experience with a number of our programs including all the Health Related Programs, Transportation Programs, and most recently with our Criminal History Evaluation Team. Prior to joining TDLR, she spent time with the Texas Ethics Commission, Texas Workforce Commission, as well as some time in private practice.
- On May 15, 2022, Jack Phillips was promoted to the Investigations Team Lead Supervisor position for the North Region. Jack has worked for TDLR for over 7 years, previously serving as an Inspector. Jack has served Texans for over 28 years, including working for the Attorney General's and Texas Department of Criminal Justice. Jack is also a proud United States Veteran, serving 6 years in the United States Army and as a Reserve in the Texas National Guard as both a Combat Engineer and a Legal Specialist.

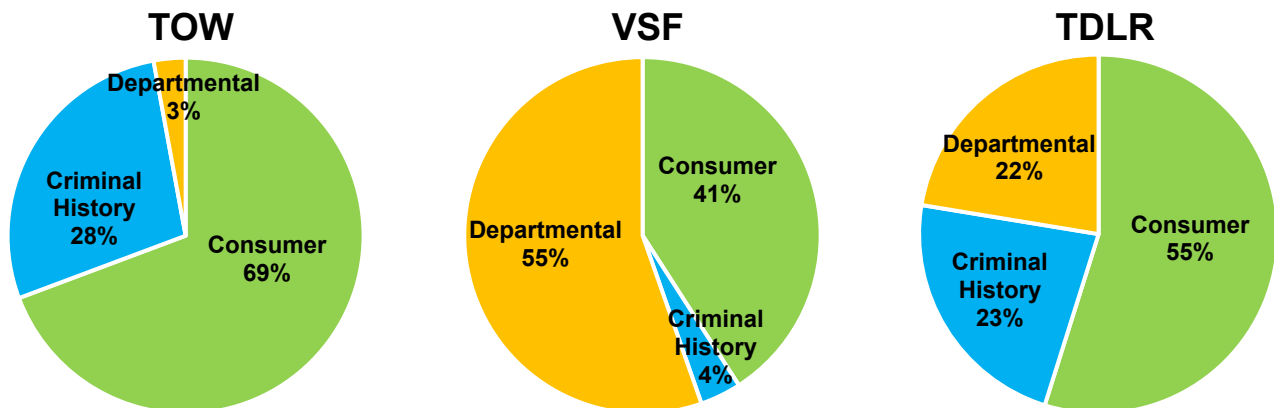
## Statistics Fiscal Year 2022:

Shown below are the Complaints Received, Enforcement Performance Measures, and Key Statistics for the Towing (TOW) and the Vehicle Storage Facility (VSF) programs and for all TDLR programs combined through March of Fiscal Year 2022:

Complaints Received by Source	TOW	VSF	TDLR
Consumer	1,585	483	7,727
Criminal History	904	143	10,374
Departmental	21	209	1,348
Total Complaints Received	2,510	835	19,449

Key Statistic	TOW	VSF	TDLR
Cases opened	658	401	6,473
Cases closed	811	374	6,457
Average time to close (days)	265.07	312.78	216.96
% of cases resolved within 6 months	39.83%	34.49%	57.29%
% of cases resulting in disciplinary action	6.41%	11.23%	10.67%
Cases pending at end of March 2022	779	492	6,646

### Source of cases opened through March of Fiscal Year 2022



Case Outcomes	TOW	VSF	TDLR
Commission Orders	4	0	14
Default Orders	20	10	201
Agreed Orders	40	42	408
Penalties Assessed	\$71,700.00	\$61,550.00	\$1,472,575.00
Penalties Collected	\$30,825.00	\$35,525.00	\$833,384.00
Average Penalty Assessed on Orders	\$1,120.31	\$1,183.65	\$2,363.68
Licenses Revoked (Disciplinary)	2	3	33
Licenses Suspended	2	0	4
Licenses Denied/Revoked (Criminal History)	8	0	106
Cease & Desist Orders	0	0	9
Informally Resolved*	745	320	5,768

<b>*Informally Resolved break down</b>	<b>TOW</b>	<b>VSF</b>	<b>TDLR</b>
Insufficient Evidence	335	122	1,985
Percentage of cases closed for Insufficient Evidence	41.31%	32.62%	30.74%
Warning Letter	149	169	1,684
Complaint Withdrawn	14	3	66
Informally Resolved	18	10	241
OTHER (CH Evaluations, reviews Applications/Renewals, Business closed, etc.)	229	16	1,792
<b>Total</b>	<b>745</b>	<b>320</b>	<b>5,768</b>

### **Top TOW Alleged Violations at Opening through March of Fiscal Year 2022**

<b>Alleged Violation:</b>	<b>Count</b>
Without authority illegal tow	291
Criminal History	183
Towed without proper signage	49
Charged more than allowed for tow	45
No tow company license	24
Failed to have proper information on ticket	20
Lacks honesty, trustworthiness, and integrity	18
Did not tow in safe or competent manner	11
Did not provide complete list of fees	11
Private Property Tow failed to offer to drop vehicle	10
Failed to issue ticket	10
Ticket missing name and license number of operator	10

### **Top TOW Violations Resulting in Disciplinary Action through March Fiscal Year 2022**

<b>Violation:</b>	<b>Count</b>
Without authority or illegal tow	12
Charged more than allowed for tow	7
Criminal History	7
Towed without proper signage	7
Lacks honesty, trustworthiness, and integrity	5
Failed to cooperate with Department	4
Failed to maintain insurance	3
Failed to provide notice of rights	3
No tow operator license	3
Failed charge identical to fee structure	3



## Top 10 VSF Alleged Violations at Opening through March Fiscal Year 2022

Alleged Violation:	Count
Failed to timely send or publish notice	84
Did not establish or follow drug policy	81
Did not maintain required records for 2-years	66
Failed to secure to prevent theft	49
Facility not completely enclosed by 6-foot fence	40
Charged unauthorized fee	31
Required information not on invoice or receipt	31
Failed to release with proper documents and money	30
Failed to include required information on notice	28
Vehicle not available for release	28

## Top VSF Violations Resulting in Disciplinary Action through March Fiscal Year 2022

Violation:	Count
Failed to timely send or publish notice	12
Unlicensed Company	6
Charged impound without services or date	5
Did not cooperate with Department inspection	4
Owner could not get identification documents from car	3
Lacks honesty, trustworthiness, and integrity	3
Charged unauthorized fee	3
Failed to include required information on notice	3
Did not establish or follow drug policy	2
Did not accept cash, debit, and credit	2
Insurance violations	2
Failed to provide tow ticket	2
Overcharged for daily storage	2
Owner could not get personal items from car	2

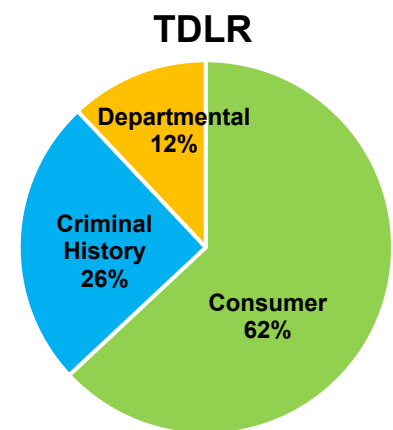
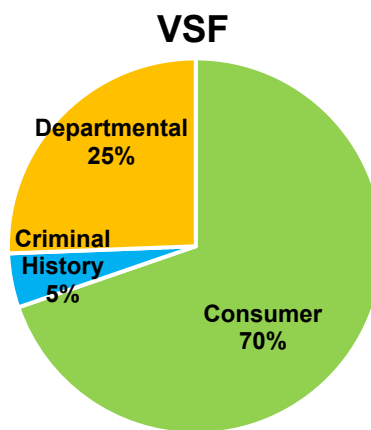
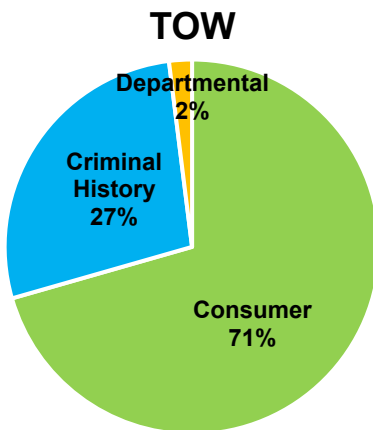
## Statistics Fiscal Year 2021:

Shown below are the Complaints Received, Enforcement Performance Measures, and Key Statistics for the Towing (TOW) and the Vehicle Storage Facility (VSF) programs and for all TDLR programs combined for **Fiscal Year 2021**:

Complaints Received by Source	TOW	VSF	TDLR
Consumer	2,204	819	12,463
Criminal History	1,358	134	18,896
Departmental	25	143	1,296
Total Complaints Received	3,587	1,096	32,655
Enforcement Division			

Key Statistic	TOW	VSF	TDLR
Cases opened	1,213	492	10,121
Cases closed	1,105	446	9,335
Average time to close (days)	285.03	344.05	209.86
% of cases resolved within 6 months	43.98%	30.94%	60.00%
% of cases resulting in disciplinary action	6.97%	11.88%	13.41%
Cases pending at end of FY2021	933	465	6,627

### Source of cases opened for Fiscal Year 2021



Case Outcomes	TOW	VSF	TDLR
Commission Orders	10	3	44
Default Orders	36	10	455
Agreed Orders	67	48	711
Penalties Assessed	\$133,125.00	\$128,900.00	\$2,570,716.00
Penalties Collected	\$68,275.00	\$82,225.00	\$1,140,068.95
Average Penalty Assessed on Orders	\$1,178.10	\$2,113.11	\$2,124.56
Licenses Revoked (Disciplinary)	8	10	103
Licenses Suspended	2	0	8
Licenses Denied/Revoked (Criminal History)	19	2	240
Cease & Desist Orders	0	0	19
Informally Resolved**	986	384	7,976

**Informally Resolved break down	TOW	VSF	TDLR
Insufficient Evidence	511	197	2,765
Percentage of cases closed for Insufficient Evidence	46.24%	44.17%	29.62%
Warning Letter	105	148	1,768
Complaint Withdrawn	14	3	132
Informally Resolved	33	6	404
OTHER (CH Evaluations, reviews Applications/Renewals, Business closed, etc.)	323	30	2,907
<b>**TOTAL</b>	<b>986</b>	<b>384</b>	<b>7,976</b>

### Top TOW Alleged Violations at Opening for Fiscal Year 2021

Alleged Violation:	Count
Towed without authority or illegal tow	486
Criminal History	320
Charged more than allowed for tow	102
Towed without proper signage	96
Lacks honesty, trustworthiness, and integrity	59
Did not tow in safe or competent manner	43
No tow company license	30
Failed to issue ticket	25
Failed to take to licensed Vehicle Storage Facility	20
Failed to offer to drop vehicle	19
Expired tow company license	19
Failed to have proper information on ticket	19

### Top TOW Violations Resulting in Disciplinary Action for Fiscal Year 2021

Violation:	Count
Charged more than allowed for tow	15
Without authority or illegal tow	15
Criminal History	14
Employed unlicensed person	9
Lacks honesty, trustworthiness, and integrity	7
No tow operator license	7
No tow company license	6
Failed to comply with an order	5
Towed without proper signage	4
Charges not related to tow	3
Failed to issue ticket	3
Failed to take to licensed Vehicle Storage Facility	3
Failed to have each truck permitted	3

## Top 10 VSF Alleged Violations at Opening for Fiscal Year 2021

Alleged Violation:	Count
Failed to timely send or publish notice	83
Charged unauthorized fee	57
Vehicle not available for release	44
Failed to release with proper documents and money	44
Charged impound without services or date	38
Failed maintain required records for 2 years	36
Failed to include required information on notice	35
Did not accept cash, debit, or credit cards	35
Unlicensed company	33
Overcharged for daily storage	26

## Top VSF Violations Resulting in Disciplinary Action for Fiscal Year 2021

Violation:	Count
Charged impound without services or date	12
Failed to include required information on notice	11
Lacks honesty, trustworthiness, and integrity	7
Failed to timely send or publish notice	7
Failed to maintain required records for 2 years	7
Unlicensed company	4
Did not cooperate with Department Inspector	4
Charged unauthorized fee	4
Did not establish or follow drug policy	3
Overcharged for daily storage	3
Nonconsent tow ticket incomplete	3
Vehicle not available for release	3
Failed to secure vehicle to prevent theft	3

### Case Highlights:

- **Grizzly Recovery, LLC - TOW20210003198, TOW20210005804, TOW20210006546, and VSF20210013418**

A Default Order was issued on February 24, 2022. Respondent was assessed a \$7,000 administrative penalty for refusing to drop a vehicle when the vehicle wasn't fully hooked up, performing tows other than allowed by law, performing tow operations without an active insurance policy, and for operating an unlicensed VSF. Respondent has not complied with this Order.

- **Gerardo Chavarria, Jr. - TOW2020008661**

A Default Order was issued on March 3, 2022. Respondent was assessed a \$2,000 administrative penalty for performing tow operations while not licensed. Respondent has not complied with this Order.

- **Alaa Eid Yousef d/b/a Express Auto - VSF20200010824**

An Agreed Order was issued on December 14, 2021. Respondent accepted a \$3,500 administrative penalty, revocation of their VSF license, and revocation of their personal VSF employee license. This was a flipping case involving Respondent using dishonest conduct to cause a vehicle owner to sign documents which caused the vehicle to be transferred from Respondent's regulated VSF to an unregulated body shop. Respondent has complied with this Order.

- **Robert Alvarado d/b/a A & A Repair - VSF20200015831 and VSF20210008820**

An Agreed Order was issued on December 14, 2021. Respondent accepted a \$1,125 administrative penalty for failing to separate the tow fees from storage fees and for failing to identify the categories of the charges. Respondent has complied with this Order.

- **Jenny L. Woodward d/b/a 24/7 Hr Day & Night Garage & Wrecker Service - VSF2020008851**

An Agreed Order was issued on March 31, 2022. Respondent accepted a \$1,650 administrative penalty for performing VSF operations while their VSF license was expired and for failing to have an active insurance policy for their VSF. Respondent has complied with this Order.

# Field Inspections Division

## Staff Report for the Towing and Storage Facility Advisory Board June 9, 2022

### Personnel Updates

North Region Manager Ron Gericke separated from the agency effective March 15, 2022, to enjoy retirement. We wish him luck and thank him for his many years of service to the people of Texas!

On April 1, 2022, Leo Talens joined TDLR as an inspector in the East Region. Welcome Leo!

### Current Projects

In September 2021, the new Field Inspections Director was made aware of an outstanding internal audit finding related to timely inspection of Vehicle Storage Facilities. As a result, he directed the division to begin work to clear 559 backlogged inspections from Fiscal Years 2018 through 2021. As of April 5, the Field Inspections division has eliminated all backlogged VSF inspections through the end of FY 2021.

### Statistics

Vehicle Storage Facility Inspections (Year to Date)		
	FY 2021	FY 2022
September	30	177
October	58	287
November	41	151
<b>Quarter 1</b>	<b>129</b>	<b>615</b>
December	58	158
January	81	139
February	37	147
<b>Quarter 2</b>	<b>176</b>	<b>444</b>
March	91	131
April	87	65
May		
<b>Quarter 3</b>		
June		
July		
August		
<b>Quarter 4</b>		
<b>Year-to-Date/Year End</b>	<b>483</b>	<b>1,255</b>

# REGULATORY PROGRAM MANAGEMENT

## Staff Report for the Towing and Storage Advisory Board

### June 9, 2022

#### Statistics

January 1<sup>st</sup>, 2022 to May 1<sup>st</sup> 2022, RPM received around 1,100 contacts. Contacts include industry contact seeking guidance on towing and VSF laws and rules, citizens with questions on towing and VSF laws and rules, and other industries seeking guidance from TDLR.

RPM is also continuing to monitor the web traffic to the industry compliance section of the towing and VSF website. When the pages went active in August 2019, the industry compliance section totaled around 1% of web traffic to the towing and VSF web pages. In the months since we have seen the industry compliance section climb to around 6% of traffic on the towing and VSF web pages.

#### Current Projects

RPM is continuing its analytic process to better monitor, review, and answer questions that come to the department, either directly or through internal channels. The program assists RPM in determining common issues as they arise to create better, more specific training for the industry and internally to TDLR staff. RPM hopes the process will help us better understand the needs of the industry, and the ability to provide consistent answers to questions.

RPM, along with the web development team is monitoring traffic to the TDLR website to attempt to determine the areas most visited. This information, along with the new web-site compliance section, will allow RPM to further determine the areas most visited so we determine the greatest need for trainings.

RPM is continuing to work with General Counsel and other department in the agency to implement changes to statute due to update rules to remove redundancies and for overall program improvement, including the towing and VSF forms.

RPM is continuing to implement Sunset Recommendations from the report issued June 2021 for the 87<sup>th</sup> Legislative Session.

- Development of data driven analytics for programs and risk-based modeling has been a focus within RPM.
- RPM has instituted a data collection system for consumer and licensee inquiries to improve TDLR's customer service experience and Outreach.
- Tow and VSF analytics will continue to be developed and reviewed for process improvements as data is assembled.

## **Outreach**

RPM has initiated an internet-based training due to limitations on in person contact and travel during the pandemic. The trainings take place over zoom and cover updates to the laws and rules and provide a platform for the industry to ask questions. A larger training is conducted once a month and generally has around 20 members of the industry from across the state. RPM is also offering the training to small groups or individual companies upon request and has conducted several of these covering specific questions they have and covering the laws and rules.



## EDUCATION AND EXAMINATION DIVISION

### Staff Report for the Towing and Storage Advisory Board

June 9, 2022

#### Statistics

##### Tow Operators Continuing Education

(As of April 30, 2022)

FY 2022	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	Total
Total New Course Approvals Issued	9	2	2	13	6	3	8	17	7	4	-	11	-	-	-	-	41
Total Course Count (end of month)	62	60	61	61	66	61	59	59	56	59	-	59	-	-	-	-	59
FY 2021	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	Total
Total New Course Approvals Issued	2	4	1	7	1	8	11	20	10	2	6	18	3	6	1	10	55
Total Course Count (end of month)	48	46	49	49	50	49	58	58	60	51	56	56	55	57	54	54	54

##### Tow IM/PP Training Program Curriculum FY 2022

(As of April 30, 2022)

FY 2022	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	Total
Total New Curriculum Approvals Issued	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Total Curriculum Count (end of month)	8	8	8	8	8	8	8	8	8	8	-	-	-	-	-	-	8
FY 2021	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	Total
Total New Curriculum Approvals Issued	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Total Curriculum Count (end of month)	7	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8

CE Monthly Invoices  
(As of March 31, 2022)

<b>FY 2022</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>Q1</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>Q2</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>Q3</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>Q4</b>	<b>Total</b>
CE Invoices Mailed	25	23	27	75	26	27	26	79	26	-	-	26	-	-	-	-	180
CE Invoices Fees to be Collected	\$3,720	\$4,275	\$3,890	\$11,885	\$3,555	\$4,415	\$3,295	\$11,265	\$3,825	-	-	\$3,825	-	-	-	-	\$26,975