

2011 Annual Report
Board of Towing and Recovery Operators

Mission & Objectives

The mission of the Board of Towing and Recovery Operators (BTRO) is to protect the public by setting standards of qualifications, training, and experience for those who seek to represent themselves to the public as towing and recovery experts and promoting high standards of professional performance for those engaged in the practice of towing and recovery.

The main objectives of BTRO are:

- To receive complaints concerning the conduct of persons and businesses licensed by BTRO and to take appropriate disciplinary action if warranted;
- To establish means and procedures by which BTRO may attempt to mediate and resolve, in an expedited manner, complaints filed against those licensed or otherwise regulated by BTRO;
- To establish the qualifications of applicants for licensure to ensure competence and integrity in towing operations;
- To examine the qualifications of each applicant for licensure;
- To license qualified applicants as Class A or Class B operators;
- To issue driver authorization documents to qualified tow truck drivers; and
- To revoke, suspend, or fail to renew a license for violations of statute or regulations promulgated by BTRO.

All this is accomplished by a Board consisting largely of towing and recovery operators, which allows for industry self-regulation (See. Attachment A for a list of Board members and committees as of October 2010).

The Board and its Committees met frequently since 2010 to address imminent issues, and to provide a mechanism for participation by consumers, licensed operators and drivers, and interested parties.

Summary of Fiscal Affairs

On October 15, 2008, BTRO began collecting and processing operator license and driver authorization document applications along with their associated application fees. Prior to that date, BTRO's operations were funded with Treasury loans (See. Attachment B for overall budget information as of June 30, 2011). BTRO has paid back \$260,400 of those loans to date, leaving an outstanding balance of \$439,600.

Summary of Recent Activities

After successfully credentialing initial applications made prior to July 1, 2009 (the deadline for having licenses and driver authorization documents), BTRO continued to use a manual process to issue initial licenses and driver authorization documents as well as renewals. During the 2010 initial renewal process, BTRO staggered expiration periods for previously issued licenses and

driver authorization documents, helping to reduce the application-processing burden for the 2011 renewal cycle.

As of October 2, 2011, BTRO has issued and renewed 10,539 credentials as follows:

Type of Credential	Active Credentials
Class A Operator License	307
Class B Operator License	1,126
Driver Authorization Document	4,922
Tow Truck Class A Decals	1,309
Tow Truck Class B Decals	2,875

Of all applicants, 57 tow truck drivers have been denied. Of those denials, 17 were due to applicants not being qualified because of having to report to the Sex Offender Registry.

BTRO's staff is limited, having two full-time employees and one part-time office administrative wage employee, and two part-time wage employees serving as compliance specialists that assist with and provide support services in the field. Two full-time positions remains unfilled at this time.

General Summary of All Complaints Received and the Procedures Used to Resolve Them

Total Complaints ¹	484
Open Complaints	19
Closed Complaints	465
Public Safety Tow Complaints	87
Private Property Tow Complaints	103
Repossession Issues	17
Other ²	277

BTRO is primarily responsible for the oversight of tow and recovery operators, and tow drivers, in the Commonwealth for (1) qualification and licensing purposes, (2) for consensual towing (requested by the owner), and (3) non-consensual towing (typically removal of an unauthorized vehicle from private property).

Over the past three years, BTRO has received 484 complaints, of which 19 remain open. The remaining complaints have either been resolved or otherwise determined to be unwarranted. The Board has received an exceptional number of calls from consumers regarding the pricing of private property and public safety towing. This has generally resulted in a lower number of formal complaints, and has increased the knowledge and understanding of tow and recovery pricing strategies for consumers. BTRO will continue on its path in educating not only

¹ Through October 1, 2011.

² Includes complaints about unlicensed towers and drivers, certain repossessions and missing decals, among other things.

Virginia's consumers, but in working directly with tow and recovery operators in providing more detailed pricing structures to consumers to aid in their understanding and knowledge of tow and recovery pricing.

A large number of complaints received after July 1, 2009 were made by properly licensed towing and recovery operators against unlicensed towing and recovery operators and their drivers. Since credentialed towers and drivers have a stakeholder interest, they have effectively created a form of self-regulation that enhances BTRO's ability to carry out the statute and regulations. These issues have been addressed by BTRO staff by contacting the non-credentialed tower or driver, and providing guidance and instruction on the laws and regulations, providing applications, and assisting in the completion of the applications in order to obtain compliance with BTRO laws and regulations. BTRO also has communicated its findings, as applicable, with local police and the Virginia State Police for law enforcement purposes.

Towing related complaints from consumers are primarily associated with pricing issues as well as public safety and private property towing. Absent statutory advisory towing boards in localities, BTRO works with the affected individuals and towers to facilitate resolution by providing guidance, advice, and educating the consumers on the laws and regulations regarding towing and recovery in the Commonwealth. The majority of these matters are resolved by expanding the consumers understanding of various pricing techniques and negotiating an agreement between the parties to resolve the complaint in a manner that is satisfactory to all parties. To date, these procedures have been effective in resolving towing pricing and other related disputes.

BTRO continues to work with local jurisdictions and law enforcement to identify problem areas and develop useful approaches to resolving tower and consumer issues. Likewise, BTRO continues to pursue efforts to provide dependable enforcement of towing laws within the Commonwealth on the local level, and to ensure that all consumer and tower related matters are handled consistent with statutory and regulatory requirements.

BTRO has expanded its relationship with local law enforcement agencies including assisting the Tidewater Auto Theft Group in 2011 created to provide oversight of a high rate of auto thefts in the Tidewater area from licensed and unlicensed tow and recovery operators. It has additionally worked with the National Insurance Crime Bureau, an association of insurance companies that investigate insurance claims that include tow and recovery related expenses, assisting insurance companies on tow and recovery related charges, and facilitate mediation with licensed operators relative to insurance claims.

Staff continues to provide support and assistance to law enforcement in the verification of licensed operators and drivers, and provides demonstrative information for judicial procedures. It also provides support and assistance in the understanding of the laws and regulations, and assisted in the drafting of local ordinances based upon BTRO's licensing and operational requirements. BTRO as well works with localities in their public safety rotation lists to facilitate confirmation of licensed operators and drivers to ensure that only those licensed by the Board are utilized in public safety tows.

BTRO continues to review, develop and implement improved processing for the efficient handling of complaints and maintain awareness of the needs of consumers to ensure the complaint process is consistent. The commitment and continuing involvement of BTRO staff members is critical to successful complaint resolution and to the best possible use of complaints as a consumer tool. The addition of two compliance specialists has expanded BTRO's ability to process complaints, provide support to consumers, conduct compliance reviews of licensed tow and recovery operators, and to provide support and assistance to licensed operators and drivers. The compliance specialists have been well received and despite the size of their coverage areas, are maximizing their efforts to provide consistent and quality services to consumers, licensed operators, and drivers.

There has also been a significant increase in BTRO providing support to licensed operators in the area of lien holder complaints, recordkeeping, obtaining reimbursement through localities for public safety towing related issues including the towing of stolen vehicles, expanding their understanding of storage liens to ensure that they are operating within established time frames, and providing support to licensed operators in the operation, management, and conduct of their businesses. These are significant in that it enhances the ability of tow and recovery operators to not only comply with all tow and recovery laws, but also enhances their ability to provide quality services to consumers.

Administrative Hearings or Decisions

There have been seven Informal Fact Finding Conferences held to date addressing (1) failure to timely report convictions, (2) denial of driver authorization documents for recent criminal convictions or convictions related to specific statutory prohibitions set out in BTRO's regulations, and (3) the imposition of civil penalties for the above referenced matters. To date, BTRO has collected \$250 from a licensed operator and \$250 from a licensed driver for failure to timely report convictions.

Conclusion

Since BTRO began issuing licenses in 2009, it has worked closely with its licensees to establish and maintain a professional towing and recovery community in the Commonwealth, and to share with consumers the often overlooked hard work, long hours, and hazardous conditions that licensed operators and drivers work. It will continue to collaborate with its licensees and law enforcement to review and evaluate existing requirements and will seek to make improvements whenever necessary.

BTRO appreciates the input and support of the various towing associations in Virginia, and believes those relationships further enhances its ability to provide quality statutory and regulatory services to its constituents.

Attachment A - Board Members and Committees as of October 1, 2011

At-Large Members

Captain Steven Chumley, Board Chairman
Department of State Police

At Large Members

Matt Lohr, Commissioner
Department of Agriculture and Consumer
Services

Richard Holcomb, Commissioner
Department of Motor Vehicles

Speaker of the House Appointees

Capt. Raymond W. Gill, IV
Spotsylvania, Virginia

Woody Herring
Chantilly, Virginia

Kenneth Mitchell
Stafford, Virginia

Mark Sawyers
Norfolk, Virginia

Randy Seibert
Richmond, Virginia

Scott Wyatt
Mechanicsville, Virginia

Gubernatorial Appointees

Charlie Brown
Salem, Virginia

Richard Metz
Concord, Virginia

Adan Rangel
Virginia Beach, Virginia

Senate Rules Committee Appointees

P. Dale Bennett
Richmond, Virginia

Roy Boswell
Stafford, Virginia

John J. Beall, Jr.
Midlothian, Virginia

Gary Teter
Harrisonburg, Virginia

Joseph A. Troilo, Jr.
Brandy Station, Virginia

Board Committee Assignments

Executive Advisory

Steve Chumley, Chairman
Charlie Brown
Woody Herring
Mark Sawyers *
Randy Seibert
Gary Teter

Administrative Affairs

Woody Herring, Chairman
Andres Alvarez
Roy Boswell
Lynwood Butner
Richard Metz
Adan Rangel
Mark Sawyers

Compliance and Consumer Affairs

Charlie Brown, Chairman
Andres Alvarez
Roy Boswell
Lynwood Butner
Ken Mitchell
Mark Sawyers

Licensing and Regulatory Affairs

Gary Teter, Chairman
John J. Beall, Jr.
Roy Boswell
Ray Gill
Ken Mitchell
Tony Troilo

By Laws and Policy

Randy Seibert, Chairman
Dale Bennett
Ray Gill
Richard Metz
Adan Rangel
Tony Troilo
Scott Wyatt

Legislative Affairs Committee *

Mark Sawyers, Chairman
John J. Beall, Jr.
Dale Bennett
Lynwood Butner
Ken Mitchell
Randy Seibert
Woody Herring

Application Work Group

Scott Wyatt, Chairman
John J. Beall, Jr.
Curtis Hardison

* Effective September 7, 2011

Committee Responsibilities

Administrative Affairs Committee - Considers matters related to personnel, finance, budget, and general administrative areas. The Committee met seven times during the period July 1, 2010 through October 1, 2011.

By Laws and Policy Committee - Considers matters related to BTRO bylaws and policies. The Committee met two times during the period July 1, 2010 through October 1, 2011.

Compliance & Consumer Affairs Committee - Considers matters related to the BTRO website, newsletter, and compliance in general. The Committee met four times during the period July 1, 2010 through October 1, 2011.

Executive Advisory Committee - Considers matters related to the general supervision of the affairs of BTRO between its regular meetings, having full power and authority except as follows:

- No action of the Executive Committee may conflict with any action taken by BTRO;
- The Executive Committee must carry out instructions given to it by BTRO; and
- BTRO may countermand any action of the Executive Committee

The Committee met one time during the period July 1, 2010 through October 1, 2011.

Legislative Affairs Committee – Considers matters of a legislative nature, including, but not limited to, recommendations from its constituents, associations, and consumers; and provides recommendations to the Board on legislative matters impacting the industry, licensees, and consumers. This Committee was created September 7, 2011 by Board approval, and has held one meeting since that date.

Licensing & Regulatory Affairs Committee - Considers matters related to legislation and regulations. The Committee met six times during the period July 1, 2010 through October 1, 2011.

Application Work Group - Considers matters related to the review and approval of operator license and driver authorization document applications. The Application Work Group meets approximately every three weeks to expedite the processing of applications that require additional resources for approval purposes. The Committee met 17 times during the period July 1, 2010 through October 1, 2011.

All committees meet as necessary based on issues and assignments referred to them by the full Board, or other Committees based upon areas of responsibility.

Board Meetings

Board of Towing and Recovery Operators - Meets regularly once every quarter to discuss general business, or more frequently as required to carry out the Board's business. When deemed necessary by the Chairman or three members, the full Board also holds special meetings.

During the period July 1, 2010 through October 1, 2011, the Board held six meetings.

Attachment B - Overall BTRO Budget Information as of June 30, 2011

Beginning Appropriation - FY07	350,000.00	Beginning Cash - FY07	-
Expenditures - FY07	102,490.72	1st Treasury Loan	350,000.00
Ending Appropriation - FY07	247,509.28	Expenditures - FY07	102,490.72
		Ending Cash - FY07	247,509.28
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Beginning Appropriation - FY08	350,000.00	Beginning Cash - FY08	247,509.28
Expenditures - FY08	218,224.04	2nd Treasury Loan	350,000.00
Ending Appropriation - FY08	131,775.96	Expenditures - FY08	218,224.04
		Ending Cash - FY08	379,285.24
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Beginning Appropriation - FY09	353,761.00	Beginning Cash - FY09	379,285.24
Additional Appropriation - FY09	291,042.00	Revenue Collections - FY09	790,656.97
Expenditures - FY09	618,432.09	Expenditures - FY09	618,432.09
		Treasury Loan Payment - FY09	75,000.00
Ending Appropriation - FY09	26,370.91	Ending Cash - FY09	476,510.12
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Beginning Appropriation - FY10	403,761.00	Beginning Cash - FY10	476,510.12
Additional Appropriation - FY10	123,000.00	Revenue Collections - FY10	776,001.25
Expenditures - FY10	484,284.42	Expenditures - FY10	484,284.42
		1st Treasury Loan Payment - FY10	35,400.00
		2nd Treasury Loan Payment - FY10	75,000.00
		Cash Transfers - Appropriation Act	3,550.00
Ending Appropriation - FY10	42,476.58	Ending Cash - FY10	654,276.95
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Beginning Appropriation - FY11	506,967.00	Beginning Cash - FY11	654,276.95
Expenditures - FY11	501,067.70	Revenue Collections - FY11	495,951.93
		Expenditures - FY11	501,067.70
		3rd Treasury Loan Payment - FY11	75,000.00
		Cash Transfers - Appropriation Act	952.00
Ending Appropriation - FY11	5,899.30	Current Cash - FY11	573,209.18
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Beginning Appropriation - FY12	571,485.00	Beginning Cash - FY12	573,209.18

Treasury Loan Status

1st Treasury Loan - FY07	350,000.00
2nd Treasury Loan - FY08	350,000.00
Subtotal Loans	700,000.00
Treasury Loan Payment - FY09	75,000.00
1st Treasury Loan Payment - FY10	35,400.00
2nd Treasury Loan Payment - FY10	75,000.00
3rd Treasury Loan Payment - FY11	75,000.00
Subtotal Loan Payments	260,400.00
Balance Due to Treasury	439,600.00