



SUMMARY

A Review of the South Carolina Department of Motor Vehicles



State law requires us to conduct a review of the South Carolina Department of Motor Vehicles (DMV) every three years. This is our initial review.

DMV employs more than 1,500 staff at 69 field offices and its headquarters to provide services that include licensing drivers, registering and titling motor vehicles, and overseeing motor carriers. As of FY 05-06, South Carolina had approximately 3.1 million licensed drivers and 3.7 million registered motor vehicles.

DMV has made a number of changes to improve operations in recent years. For example, the department has:

- Implemented a structured system for managing the customer wait process.
- Established a unit to investigate fraud.
- Implemented an automated insurance reporting system to detect uninsured motorists.

Below we summarize these findings as well as areas in which further improvement can be made.

FIELD OFFICE OPERATIONS

- To reduce and measure customer wait times, DMV has implemented a computerized queuing management system at its higher-volume field offices.
- There are anecdotal statements by DMV's customers that wait times have been reduced significantly in recent years.
- In its FY 04-05 accountability report, DMV indicated that average customer wait times had been reduced by almost an hour. The department, however, does not have adequate controls to ensure consistent calculation of customer wait times.
- DMV has not publicly reported wait time statistics in a format that would help customers determine the best days and times to visit their local DMV offices.
- The department has not established a written methodology for determining staffing, business hours, or field office sizes and locations.

FINANCIAL ISSUES

- The department does not periodically calculate the cost per transaction for its various motor vehicle and driver's license credentials. It also has not established cost per transaction goals.
- DMV could improve its efforts to communicate the availability of conducting transactions through the Internet and the mail, which can cost significantly less than in-person transactions.
- When a DMV field office is sold, the Budget and Control Board is authorized by state law to spend the net proceeds to benefit agencies other than DMV. As a result, fewer funds are available for relocating field offices when they become overcrowded.

MISSION

The Legislative Audit Council conducts performance audits to find ways to reduce the cost and improve the performance of state agencies and programs. Our audits must be requested by members of the General Assembly or required by state law.

Audits by the Legislative Audit Council are conducted in accordance with generally accepted government auditing standards as set forth by the Comptroller General of the United States.

Approximately 18 months after the publication of most audits, we initiate a follow-up review to determine whether our recommendations have been implemented.

FOR MORE INFORMATION

Our full report, including comments from DMV, is published on the Internet at

LAC.SC.GOV

Copies can also be obtained by calling

(803) 253-7612

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FRAUD AND ERROR PREVENTION

- In 2005, DMV established a separate unit to investigate fraud by its staff and the public.
- The department has implemented a program for training its staff in fraud detection and prevention. However, the number of staff trained has been limited.
- The department conducts criminal background checks of its employees. It has not implemented a program of conducting credit checks. Employees with poor credit ratings may be more likely to commit fraud.
- To assist in the detection of fraud by driver's license applicants, DMV electronically scans the personal identification documents of non-U.S. citizens. The department does not scan the identification documents of applicants who are U.S. citizens.
- Field office error rate statistics are not maintained by the department. Transaction errors by field office staff can include the incorrect transcription of birth dates, social security numbers, and vehicle identification numbers.
- In 2005, the federal Real ID Act was enacted to create national standards for obtaining a driver's license or identification card. DMV has estimated a significant increase in cost and customer wait time if these standards were to be adopted by South Carolina. In June 2007, the General Assembly enacted legislation stating that South Carolina would not adopt the federal Real ID standards.

EFFORTS TO REDUCE UNINSURED MOTORISTS

- Although there is no method for definitively calculating South Carolina's uninsured motorist rate, DMV estimates that the rate declined from 18% in 2003 to 9% in 2006.
- In January 2008, DMV will begin requiring insurance companies to report all of their insured drivers and motor vehicles on a regular basis. As a result, DMV's efforts to detect uninsured motorists will be enhanced.
- State law allows motor vehicle dealers to design, produce, and issue temporary license plates for newly-sold vehicles. As a result, the likelihood of individuals altering temporary license plates or producing counterfeit plates is increased.

COMMERCIAL DRIVER'S LICENSE PROGRAM

- In 2006, the Federal Motor Carrier Safety Administration "deobligated" more than \$500,000 in federal grant funds that had not been spent by DMV during the periods established for the grants.
- The Federal Motor Carrier Safety Administration cited DMV for being late in notifying other states of drivers convicted of moving violations in South Carolina. DMV officials stated that they had not successfully addressed this issue, because they were not being informed of moving violation convictions in a timely manner. DMV is addressing this issue in cooperation with the South Carolina Judicial Department.