

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

Texas Department of Motor Vehicles  
4000 Jackson Avenue  
Building 1  
Lone Star Room  
Austin, Texas 78731

Thursday,  
April 10, 2025  
9:00 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair  
Tammy McRae, Vice Chair  
Christian Alvarado  
Stacey Gillman (absent)  
Brett Graham  
Mark Jones  
Sharla Omumu  
John Prewitt  
Darren Schlosser

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P R O C E E D I N G S

1  
2 MR. BACARISSE: Good morning. My name is  
3 Charles Bacarisse, and I am pleased to open this Board  
4 meeting of the Texas Department of Motor Vehicles. It is  
5 9:01 a.m. and I am now calling the Board meeting for  
6 April 10, 2025, to order. I want to note for the record  
7 that the public notice of this meeting, containing all  
8 items on the agenda, was filed with the Office of  
9 Secretary of State on April 2, 2025.

10 Before we begin today's meeting, please place  
11 all cell phones and other communication devices in silent  
12 mode. Also, as a courtesy to others, please do not engage  
13 in side conversations in the meeting room.

14 I want to welcome those who are with us for  
15 today's Board meeting. If you wish to address the Board  
16 or speak on an agenda item during today's meeting, please  
17 complete a speaker's sheet at the registration table or  
18 send an email to [gco\\_general@txdmv.gov](mailto:gco_general@txdmv.gov). That's  
19 [gco\\_general@txdmv.gov](mailto:gco_general@txdmv.gov).

20 Please identify in the email the specific item  
21 you're interested in commenting on, your name and address,  
22 and whether you are representing anyone or speaking for  
23 yourself. If your comment does not pertain to a specific  
24 agenda item, we will take your comment during the general  
25 public comment portion of the meeting.

1           In accordance with the Department's  
2 administrative rule, comments to the Board will be limited  
3 to three minutes. To assist each speaker, a timer has  
4 been provided at the podium. The timer light will be  
5 green for the first two minutes, yellow when the speaker  
6 has one minute left, and red when the speaker's time is  
7 up.

8           Individuals cannot accumulate time from other  
9 speakers, and comments should be pertain to the issue  
10 stated on the comment sheet. When addressing the Board,  
11 please state your name and affiliation for the record.

12           There are few things that will keep the  
13 meeting -- will help make the meeting run smoothly and  
14 assist the court reporter back there in getting an  
15 accurate record. So please identify yourself before  
16 speaking. Speak clearly and slowly. Do not speak over  
17 others, and ask the Chair for permission to speak and be  
18 sure to get recognized before speaking.

19           I'd like to thank the court reporter back there  
20 who is transcribing this meeting.

21           Before we begin today, I'd like to remind all  
22 presenters and those in attendance of the rule of conduct  
23 at our Board meetings. In the Department's administrative  
24 rule, the Chair has the authority to supervise the conduct  
25 of meetings. This includes the authority to determine

1 when a speaker is being disruptive in the meeting or is  
2 otherwise violating the timing or presentation rules that  
3 I've just discussed.

4 So with that, we can now move to Agenda Item 1,  
5 which is a roll call. So Board members, please respond  
6 when I call your name.

7 Member Alvarado, are you present?

8 MR. ALVARADO: Present.

9 MR. BACARISSE: Member Graham?

10 MR. GRAHAM: Present.

11 MR. BACARISSE: Member Jones?

12 MR. JONES: Present.

13 MR. BACARISSE: Vice Chair McRae?

14 MS. McRAE: Present.

15 MR. BACARISSE: Member Omumu?

16 MS. OMUMU: Present.

17 MR. BACARISSE: Member Prewitt?

18 MR. PREWITT: Present.

19 MR. BACARISSE: Member Schlosser?

20 MR. SCHLOSSER: Present.

21 MR. BACARISSE: And let the record reflect that  
22 I, Charles Bacarisse, am here too. We do have a quorum,  
23 and let the record also reflect that we are missing dearly  
24 our friend, Member Gillman, who is absent, but she's  
25 fine -- so just not with us today. So we're all good.

1           So Agenda Item 2 is Pledges of Allegiance to  
2 the U.S. and Texas flags, and to honor our country, please  
3 stand with me, and I'm going to turn it over to Member  
4 Graham to lead us in the U.S. Pledge, and then Member  
5 Jones will lead us in the Texas Pledge.

6           (The Pledges were recited.)

7           MR. BACARISSE: Thank you all. Thank you,  
8 Member Graham and Member Jones for leading us in the  
9 Pledges.

10           Before we get into the depth of things with all  
11 kinds of good business today, I just want to take a moment  
12 of personal privilege to recognize a fellow county elected  
13 official here who performs incredible responsibilities for  
14 Bell County. It's the Bell County Tax Assessor-Collector,  
15 Shay Luedeke.

16           Shay is in the -- is with us this morning.  
17 Thank you for being here, Shay.

18           (Applause.)

19           MR. BACARISSE: Well, look at that. He is the  
20 current Chairman of the Tax Assessors Association this  
21 year, and we're all looking forward to coming down to  
22 Galveston for the annual convention.

23           So Vice Chairman McRae, would you like to add  
24 anything?

25           MS. McRAE: I -- Shay, I'd just to thank you

1 for being here. Shay is an awesome leader. He's a  
2 fearless leader, and he's been in Austin quite a bit this  
3 session, fighting alongside other members of our  
4 association, testifying on various bills.

5 So thank you for being here. Thank you for  
6 taking the time to come.

7 MR. BACARISSE: I want to take one other moment  
8 of personal privilege to say a thank you to all of the  
9 folks that are over here and your colleagues. The staff  
10 of this agency -- I've been here long enough to have a  
11 feel for it now -- the staff and leadership of this agency  
12 are really tremendous.

13 You are the best representatives of what public  
14 service really is, and professionalism. And I feel like I  
15 need to tell you that now, because we're in interesting  
16 times, but don't let that bother you. Keep your head as  
17 you have always done and be the wonderful professionals  
18 that you are.

19 No matter what gets thrown at us, we manage it.  
20 And I'm thankful to be part of your team. So my thanks  
21 to the each of you in this agency. Thank you.

22 With all of that grandstanding now off, I am  
23 ready to move to Item 4, which is the Executive Director's  
24 Reports.

25 And all I said over there to that group, that



1 goes for you too, Daniel, so --

2 MR. AVITIA: Thank you, sir. Good morning.  
3 Chairman, Members, good morning. Thank you.

4 For the record my name is Daniel Avitia. I  
5 have the pleasure of serving as the Executive Director for  
6 the Texas Department of Motor Vehicles.

7 Agenda Items 4.A. through 4.C. are briefing  
8 items only. I'll start with Item 4.A., the State Agency  
9 Internal Audit Forum. Information can be found on page 6  
10 of your Board materials.

11 Chairman, Members, in February, the State  
12 Agency Internal Audit Forum, or SAIAF, appointed our very  
13 own Internal Audit Director, Mr. Jason Gonzalez, has the  
14 Technology Chair. The forum aims to promote the effective  
15 and efficient use of Internal Audit resources within State  
16 agencies, enhancing accountability, productivity, and  
17 management controls over operations. Serving on the forum  
18 will provide opportunities to identify areas of  
19 improvement, potential risks, and other issues across  
20 agency lines. It will also facilitate the sharing of  
21 information regarding best practices, technology solutions  
22 and other suggested, deemed beneficial, and cost-effective  
23 initiatives for State agencies and stakeholder.

24 So Jason, congratulations on your selection. I  
25 know that you will undoubtedly make substantial

1 contributions to that organization.

2 Chairman, Members, Agenda Item 4.B can be found  
3 on page 7 of your Board materials. The American  
4 Association of Motor Vehicle Administrators, AAMVA,  
5 Automated -- what is with all the acronyms this morning?

6 (General laughter.)

7 MR. AVITIA: Automated Vehicle Subcommittee  
8 convened in Austin from March 25 to March 28 for its  
9 annual in-person meeting, comprising of leaders from  
10 various state law enforcement, state motor vehicle  
11 agencies, as well as representatives from the National  
12 Highway Traffic Safety Administration, and the U.S.  
13 Federal Motor Carrier Safety Administration. The AV  
14 Subcommittee here was hosted here at the DMV headquarters  
15 by Deputy Executive Directors Luna and Mellott, including  
16 myself, as well as other members of the Executive Team.

17 During the meeting, the Subcommittee engaged in  
18 discussions and on key initiatives and project,  
19 legislative implementation efforts, and proposed  
20 autonomous vehicle legislation. The AV Subcommittee is  
21 chaired by none other than our very own Deputy Executive  
22 Director, Mr. Luna.

23 The Subcommittee plays a vital role in  
24 advancing discussions on autonomous vehicle technology.  
25 Its primary mission is to collaborate with jurisdictional

1 members, law enforcement, federal agencies, and other  
2 stakeholders to collect, organize and disseminate  
3 information within the AAMVA community. Additionally,  
4 Committee members attended an autonomous vehicle  
5 demonstration at TxDOT, and met with several autonomous  
6 vehicle entities to discuss AV features, technology  
7 advancements, and future developments in the field.

8 I want to thank Roland for his leadership in  
9 this very important and emerging technology conversation.

10 So Roland, thank you for that.

11 Any questions there, Chairman or Members?

12 (No response.)

13 MR. AVITIA: All right. Then we will move on  
14 to Agenda Item 4.C. 4.C. can be found on page 8 of your  
15 Board materials.

16 At this time, I would like to recognize our  
17 employees that have reached a service milestone. We  
18 recognize these employees to show our appreciation for  
19 their years of service and certainly their dedication to  
20 the state of Texas.

21 I'll begin with 20 years of State service. We  
22 have Kathy Chung, with the Vehicle, Title and Registration  
23 Division. Next, with 25 years of State service, we have  
24 Charlie Escobedo, Enforcement Division; Connie Noble,  
25 Motor Carrier Division; and Diana Noble [sic], Motor

1 Carrier Division.

2 Next, with 30 years of State service, we have  
3 none other than -- joining us this morning, Mr. Richard  
4 Goldsmith with the Motor Carrier Division. And lastly, we  
5 have the following retirees, with 20 -- over 20 years of  
6 State service: Dawna Eckwall, with the Motor Carrier  
7 Division, 26 years, and Ms. Michelle Lingo, who is joining  
8 us this morning, with the Motor Vehicle Division, 28 years  
9 of State service.

10 Chairman and Members, I'd like to take a moment  
11 to speak about the two recipients who are with us here  
12 this morning. I'll start with Ms. Lingo.

13 Ms. Lingo has served as a staff attorney and  
14 mediator with the Motor Vehicle Division since joining the  
15 Department in November 2010. Throughout her tenure,  
16 Michelle has provided key legal insight, ensuring the  
17 resolution of numerous complex legal matters in alignment  
18 with the Department's mission. Her dedication to fairness  
19 in mediation has been instrumental, having successfully  
20 mediated over 200 cases, all fostering equitable solutions  
21 for the parties involved.

22 Michelle's contributions have left a lasting  
23 impact and her expertise has been valuable, and we'll  
24 certainly miss Michelle throughout the Department.  
25 Michelle, congratulations on your well-deserved

1 retirement.

2 Now, for -- just for old times' sake, if you  
3 wouldn't mind, every once in a while, Michelle, sending me  
4 a multi-page, bolded, highlighted email that you have  
5 become so infamous for throughout the Department.

6 MS. LINGO: Only if you'll read it.

7 MR. AVITIA: Yes.

8 (General laughter.)

9 MR. AVITIA: You know, we'll all miss you, Ms.  
10 Lingo.

11 Next, with 30 years of service, Mr. Richard  
12 Goldsmith. Mr. Goldsmith serves as the manager of the  
13 Motor Carrier operations within the Motor Vehicle  
14 Division. He joined the Department in 2012.

15 Richard began his State career with TxDOT as a  
16 public information officer. I didn't know that. Good for  
17 you.

18 Leveraging his expertise in communication and  
19 industry knowledge to support the Department's mission,  
20 Richard has dedicated over a decade to leading the Motor  
21 Carrier Division's program coordination and support  
22 section, all while expertly managing administrative  
23 functions and driving solutions in customer-facing  
24 business areas. His commitment and leadership have been  
25 invaluable.

1 Richard, congratulations on your 30 years of  
2 service.

3 Chairman, Members, let's congratulate these  
4 individuals for their dedication.

5 (Applause, photos taken.)

6 MR. AVITIA: Chairman, that concludes my  
7 Executive Director's Updates. Thank you for the time this  
8 morning.

9 MR. BACARISSE: Absolutely. And thank you to  
10 our friends who are retiring from State service. What an  
11 amazing legacy they are leaving, and I only hope that we  
12 can train up the next generation to be as good and  
13 professional.

14 Agenda Item No. 5 is a contested case, and so  
15 we will move there. Before we move to the oral  
16 presentation from the parties to the contested case,  
17 General Counsel Moriaty will -- excuse me -- present the  
18 procedural history and summary of the case.

19 So the floor is yours, Ms. Moriaty.

20 MS. MORIATY: Thank you, sir. Good morning,  
21 Board. Laura Moriaty, General Counsel for the DMV.

22 The contested case before you today is a  
23 licensee disciplinary case, Department of Motor Vehicles  
24 against T. C. Auto Finance, LLC. T. C. Auto Finance holds  
25 a general distinguishing number issued by the Department.

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So the issues for the Board to decide today are, first, did T. C. Auto Finance violate the Board's rules and statutes? If so, should we revoke the GDN, or should -- and/or should we issue a monetary penalty, and if we should, how much should that be?

So this case began back on October 24, 2022, when the Department issued a notice of Department decision. The Respondent requested a hearing. So the Department's second case for hearing in front of the State Office of Administrative Hearings -- I will call SOAH -- and that hearing took place on October 17, 2024.

The SOAH Administrative Law Judge issued a proposal for decision on December 17, 2024. In the PFD, the ALJ found that T. C. Auto Finance had misused buyers' temporary tags by improperly issuing 903 of them between January 1, 2022 and July 31, 2022. The ALJ also noted that the Respondent had two prior agreed orders with the Department, one from 2015 and one from 2023, one of which related to the misuse of temporary tags. The ALJ recommended that the Board revoke T. C. Auto Finance's GDN license and assess a penalty of \$93,000 against T. C. Auto Finance.

Both parties filed exceptions to this proposal for decision in December 2024. The ALJ ruled on those

1 exceptions in response to Respondent's exceptions. The  
2 ALJ said that they were essentially arguments that had  
3 already been raised during the hearing, and she declined  
4 to make any changes on the basis of them.

5 The Department, in its exceptions, raised six  
6 technical errors, basically typos in the PFD. The ALJ  
7 agreed to correct all six of those. So those corrections  
8 are in the exceptions letter.

9 And then with regard to that sanction, the ALJ  
10 agreed that her calculation -- her description of the  
11 calculation had been incorrect and that the total number  
12 had been incorrect. So she altered both the calculation  
13 and the total number to be \$100 per violation, for a total  
14 of \$90,300, as her recommended monetary penalty.

15 So all of those changes are in the exceptions  
16 letter. In order to adopt those, the Board wouldn't need  
17 to make those changes; it could just adopt the exceptions  
18 letter, along with the PFD. So both parties received  
19 notice for the considering the case today, and both  
20 parties have announced ready to make oral presentations to  
21 you. Both parties have provided written materials that  
22 are in your Board materials for you to consider.

23 But before we get started, I want to review  
24 what your options are today to consider the case. So the  
25 first thing we always have to remember is the difference



1 between SOAH's role in these cases and the Board's role.

2 SOAH gets to hear the evidence. They get to  
3 decide who's believable. They get to decide what comes  
4 into the record and what stays out.

5 They make findings of fact. They make  
6 conclusions of law, and they recommended a sanction. So  
7 the Board cannot try to rehear the evidence.

8 We can't hear new testimony today. We can't  
9 look at new documents today. We can't decide that  
10 something SOAH thought was not believable is actually the  
11 truth. None of that is within your power.

12 We can't make new findings of fact. What is  
13 within your authority is to decide that the ALJ did not  
14 properly interpret your statutes or rules, and to make a  
15 new sanction determination, still based on the facts, the  
16 facts and conclusions of law, but potentially different  
17 than what the ALJ has recommended.

18 So in keeping with that, you have essentially  
19 three choices. You could accept the PFD and the -- as  
20 modified by the exceptions letter, and that would result  
21 in revocation of the GDN and a monetary penalty of  
22 \$90,300.

23 You could also amend the PFD. So you could  
24 make changes to the conclusions of law or to the  
25 recommended sanction, and we could issue a sanction that

1 was different than what the ALJ has recommended. However,  
2 if you do an amendment to the PFD, the Government Code  
3 requires that we explain what law the ALJ has  
4 misinterpreted, how they have misinterpreted it, and how  
5 the findings of fact that the ALJ made still align with  
6 the decision that we are coming to that is different than  
7 what the ALJ determined.

8 So we have to know all of that in our motion.  
9 So when you're making a motion to change a conclusion of  
10 law or the sanction, in order to comply with the  
11 Government Code, you have to state what specific change  
12 you're requesting, the law that was misapplied, how the  
13 interpretation was wrong, and then how the findings of  
14 fact support our conclusion. I know that makes for a long  
15 motion, but it's necessary to make sure that we are  
16 complying with the Government Code.

17 So your broadest discretion as a Board is to  
18 decide the penalty in this case. The main thing that  
19 guides is Texas Occupations Code 2301.801(b), which sets  
20 out factors you need to consider in determining a  
21 financial penalty. Those are: the seriousness of the  
22 violation; the economic damage to the public caused by the  
23 violation; the history of previous violations; the amount  
24 necessary to deter a future violation; any efforts to  
25 correct the violation; and the great catch-all, any other

1 matters that you think justice may require.

2           So when we make that motion to change, we have  
3 to explain how the new sanction is appropriate and what  
4 factors from those ones I just discussed are supporting  
5 this decision that you're making. So with all of that, if  
6 there are no questions for me, I will turn it back over to  
7 Chairman Bacarisse to introduce the parties and describe  
8 the rules for their oral presentation.

9           MR. BACARISSE: Great. Members, before I, you  
10 know, give some direction, do you have any other questions  
11 of Ms. Moriaty at this point?

12                   (No response.)

13           MR. BACARISSE: Seeing none, let me just move  
14 into a description here. Under the Board's rules, a party  
15 of the title who has submitted a request, as Ms. Moriaty  
16 made the point, to make oral presentation will be allowed  
17 up to 15 minutes to make an oral presentation in this  
18 case. Both parties have done so, and so we'll hear from  
19 them.

20           During the oral presentations, time spent by a  
21 party responding to any Board questions is not counted  
22 against that party's time. The timer light will be green  
23 for the first 14 minutes, yellow when there's one minute  
24 left, and then red when a party's time is up.

25           I'd also like to remind the Board members

1 that -- and the parties that the Board's decision must be  
2 based solely on the evidence contained within the  
3 administrative record of the Office of Administrative  
4 Hearings, as Ms. Moriaty pointed out. If a Board member  
5 asked a question about evidence that is not in the SOAH  
6 administrative record for this case, the party should  
7 respond by saying, the question is about evidence that is  
8 not in the administrative record.

9 Respondent, T. C. Auto Finance, is represented  
10 by Mr. Hernandez, who is with us this morning.

11 Good morning, sir. Thank you --

12 MR. HERNANDEZ: Good morning.

13 MR. BACARISSE: -- for being here. And you can  
14 have the floor now to make your presentation, if you're  
15 ready, sir. Yeah. Come over here to the podium, and  
16 we'll get you set up.

17 MR. HERNANDEZ: Good morning to everybody, the  
18 Board members and everybody else today. Thank you so very  
19 much for giving me the opportunity to present my case.

20 Back in 2022 October 24, I received notice from  
21 the Department. That notice was not only a notice to deny  
22 access to the eTAG system, but it was also a notice to not  
23 renew my driver's -- my dealer's license. But in 2022,  
24 the dealer's license -- it was supposed to be renewed.  
25 Ever since, it hasn't been renewed anymore, so I think the

1 Department violated my rights to renew my license.

2 The same notice for decision recommended some  
3 penalties and fines, but it also said at the end of the  
4 note that I was able to continue running my license and  
5 continuing doing business. However, the Department  
6 violated that right to me. I was reading on the  
7 Occupation Codes, 231.651(d), that -- it says, A license  
8 may not be denied, revoked, or suspended, and disciplinary  
9 action may not be taken unless [sic] this subchapter,  
10 respondent -- unless the respondent is given an  
11 opportunity for a hearing. The board may deny, revoke, or  
12 suspend a license or disciplinary action might be taken  
13 only by order.

14 I think the Department violated this law,  
15 because, since 2022, the Department didn't give me the  
16 opportunity to continue with my license. So I think they  
17 violated that law.

18 Also, when we presented the hearing, we  
19 collected 32 pieces of evidence. Out of the 32 pieces of  
20 evidence, the Judge only accepted two of them. There were  
21 two.

22 One of them was the cyber assessment that was  
23 done by a third-party company. That cyber assessment was  
24 presented that day, and the CEO for the company also  
25 testified that there was a malware on the system for T. C.

1 Auto. However, that assessment wasn't uploaded to the  
2 Court's system after the end of the hearing.

3 The Department promised that they would upload  
4 the assessment and I would present it today, but it wasn't  
5 like that. So there was two exhibits accepted out of  
6 32 exhibits, and only one was uploaded to the system. So  
7 I think they also mishandled evidence, so you guys can see  
8 it today. So I think that was another violation by the  
9 Department.

10 After the notice for decision, we investigated  
11 for two and a half years the facts that -- the accusations  
12 for that decision. We found that there was -- there were  
13 some malwares installed in the system for T. C. Auto  
14 Finance. We conducted a research through a tech company,  
15 which they provided a cyber assessment, saying that there  
16 was some malwares installed in T. C. Auto Finance's  
17 system.

18 So we presented all the proof to the Department  
19 the day of the hearing, and we also presented testimony  
20 from different people who witnessed selling the paper tags  
21 online. After the Department's decision, we hired this  
22 tech company and they found out that there was malwares in  
23 the T. C. Auto Finance's system. After that, we filed a  
24 police report.

25 From the police report, we started

1 investigating different individual places, how this could  
2 happen. One of the witnesses that we found told us that  
3 there was an online store set up, set up online. And if  
4 you research on a Google search, *venta de platas de papel*,  
5 you will find that that will trigger another ad that  
6 linked our website and our place of business.

7 So when you click there, you will link to  
8 Facebook and eventually you will link to a WhatsApp  
9 conversation. This witness told us that the way he found  
10 out our place was because, when you looked on *venta de*  
11 *platas de papel*, it will trigger our business. And from  
12 the business site, he would see the phone number for our  
13 business.

14 So we asked him, how did he found out that we  
15 were selling the plates? And he said, well, if you've  
16 seen the site, you can see the phone number, and I now  
17 could call from there.

18 So after that, we called the police. We told  
19 them what was happening. The police said, okay, we will  
20 investigate that.

21 If you do a research now with *venta de platas*  
22 *de papel*, you will still see that it links to our website  
23 and our business. So the words, *venta de platas de papel*,  
24 I'm not that anymore, because the police helped us do it.

25 But this witness told us that they were sending him there

1 through Facebook and around the business too.

2 So that was the way we found, first, and we  
3 filed three police reports. I requested them to show the  
4 police report on the --

5 MR. BACARISSE: It's coming up.

6 MR. HERNANDEZ: Yeah. There was -- after 2022,  
7 we discovered that somebody was hacking our account, not  
8 only the eTAG system. They also hacked our bank accounts,  
9 our online options, and all the data around the T. C. Auto  
10 Finance system.

11 The day of the hearing, the Department  
12 presented four witnesses that testified against T. C. Auto  
13 Finance, LLC. These four witnesses testified only on  
14 records. None of them are actually a witness of what  
15 happened there.

16 One of the witnesses -- I believe it's Mr.  
17 Kyle. Mr. Kyle is his name. He testified that there was  
18 a breach on TxDMV in 2022, from January to July. What we  
19 told the Department is that the breach wasn't in the TxDMV  
20 system. It was in T. C. Auto Finance's system.

21 We also presented the day of the hearing the  
22 testimony from the CEO from the tech company that provided  
23 the assessment for the system of T. C. Auto Finance. And  
24 his assessment was saying that T. C. Auto Finance had  
25 malwares installed in the system and they were able to



1 transfer all the data in real time to a third party,  
2 outside T. C. Auto Finance. So we presented that piece of  
3 evidence, along with 32 pieces of evidence, the day of the  
4 hearing.

5 And that day, the attorney that represents the  
6 Department said that she did not have time to review the  
7 evidence. At that moment, we considered rescheduling the  
8 hearing, but after a few minutes, they decided not to do  
9 it and continue with the hearing.

10 I thought they would see all the evidence we  
11 had. It was 32 pieces of evidence. At the end, they only  
12 took two pieces of evidence, the police report and the  
13 cyber assessment.

14 At the end of the hearing, Ms. Heather Pierce  
15 said that she would upload the two pieces of evidence to  
16 the Court system. To my deep surprise, she did not upload  
17 the cyber assessment, but it is on the record, on the  
18 hearing of October 17, 2024. If you go there, you will  
19 see the CEO doing his confession about what he found on  
20 our system.

21 And there were like, about six or seven  
22 witnesses that confessed about being a witness of somebody  
23 selling the paper plates. We know someone is doing it.  
24 If you go right now and do a Google search, *venta de*  
25 *platas de papel*, the first thing you will find is our

1 place of business. It's there right now, in this moment.

2 The police helped us to remove the words, *venta*  
3 *de platas de papel*, and we tried to tell Google to remove  
4 everything, but Google said, there's no way you can remove  
5 that ad, because you're not the author of the ad. So you  
6 cannot do it. But the police helped us to remove the  
7 words, *venta de platas de papel*.

8 We know somebody is doing it, because after  
9 that, many people have been coming to our place to either  
10 print the plates or laminate the plates or say  
11 something -- we have paper plates, actual plates, with  
12 pictures of the vehicle, VIN numbers, and vendor plates.  
13 Right now, they're selling not from our business, because  
14 our system is individual from that, but somebody is  
15 selling it from somebody else. We have the proof of that.  
16 And the Department also have.

17 As we collect the proof, we've been sending it  
18 to the Department as we do the investigation. We sent the  
19 reports from the police, like the one you see, and 32  
20 more -- 31 more pieces of evidence. They bought two  
21 vehicles, one in Canada. It's a 2003 Honda CRV, and one  
22 Maserati in Texas.

23 They were able to get the one -- they were able  
24 to steal the one in Canada. They were not able to get the  
25 one in Texas. So they used the account to not only commit

1 crimes against T. C. Auto Finance, only with the paper  
2 tags, but also with the online auctions, and do some  
3 transfers with the bank accounts too.

4 At the end, we needed to -- we had to close the  
5 bank accounts, and we had to reset the passwords. And we  
6 had to hire the tech company to clean the system and  
7 install new antiviruses to prevent more damage to the T.  
8 C. of that.

9 We presented all the proof to the Department  
10 during this two and a half years, and the only response we  
11 got is that the Department represented the State, and they  
12 couldn't do any legal advice on it. I think that's their  
13 job to do it, but at the same time, the process has been  
14 somehow manipulated the way they want. And pretty much,  
15 we've been dealing with an entity that -- we're doing too  
16 much.

17 Since the beginning, our license was blocked.  
18 It wasn't renewed since the beginning. And it was, like,  
19 going against an entity that was a part and judge at the  
20 same time, because they were able to decide what to do  
21 since the beginning. We didn't have, up to now, a chance  
22 to say, no, we didn't do it. And we didn't have a chance  
23 to present everything, because the license, up to today,  
24 is not active, is suspended, basically.

25 A few months later after this notice for

1 decision, we found out there was a letter that will allow  
2 you to run the business, as I call them, APA letter --  
3 after a few months, we found out, found out by  
4 investigating. This letter, though, is -- they only --  
5 most of the places, they are only taking for three months.  
6 After they -- it's, like, they don't know -- they're not  
7 familiar about it, so they don't take it much -- it is  
8 like if you go around looking for a job with an expired  
9 driver's license.

10 So I believe the Department should have been  
11 more considerate, and they should have allowed us to prove  
12 what they were saying and not to block the license in the  
13 beginning, because not all the cases are the same. I  
14 heard some other cases and I watched the videos of some  
15 people that they lost their computer and somebody had  
16 printed paper plates. Some people that allowed the clerk  
17 to do the business, and she did things -- I watched the  
18 videos.

19 This case is different. We involved three  
20 police departments. We've hired a tech company. We've  
21 hired an investigator. And we've been working around the  
22 case.

23 The first time we noticed, back in the June,  
24 even before the Department decision, we noticed that the  
25 paper plates were going high. So we started investigating

1 inside the office what was done. I even requested more  
2 paper plates at that moment, because I thought at the  
3 beginning, oh, maybe the Department set a limit, and  
4 now -- we usually sell between 300 to 400 vehicles a year.  
5 And we've doing that for 15 years.

6 Our business is about selling vehicles, not  
7 about selling paper plates. So with all that, I know the  
8 time's short now. I wanted to say that this case should  
9 be considered, and this case is not the same as the  
10 others.

11 And we should be given the opportunity to prove  
12 what we think --

13 (Timer sounds.)

14 MR. BACARISSE: Thank you. Your time has  
15 expired. Thank you.

16 MS. MORIATY: Mr. Chairman, if I may? I  
17 believe a lot of the information you heard was outside the  
18 record, so --

19 MR. BACARISSE: Yeah.

20 MS. MORIATY: -- if the Board wouldn't mind  
21 asking the other party to clarify if there's anything  
22 outside --

23 MR. BACARISSE: Sure.

24 MS. MORIATY: Thank you.

25 MR. BACARISSE: Sure. We'll hear -- we'd be

1 happy to hear from the other party. Are they present? Or  
2 is that --

3 MS. MORIATY: Right. I just wanted to make  
4 sure that before you asked this party --

5 MR. BACARISSE: Yeah.

6 MS. MORIATY: -- questions, we clarify the --

7 MR. BACARISSE: Yeah. Both sides. Yeah.

8 MS. MORIATY: Yeah.

9 MR. BACARISSE: Absolutely. Great. Is the  
10 other -- who's the other party --

11 MS. MORIATY: Yes. There's an attorney for the  
12 Department who is here. Joyce?

13 MR. BACARISSE: Okay. Great.

14 MS. MORIATY: Is -- there she is.

15 MR. BACARISSE: Yeah. Please approach.

16 MR. HERNANDEZ: Do you have any questions for  
17 me --

18 MR. BACARISSE: Not yet. So if you'll give the  
19 other side an opportunity to present their case, we'll  
20 then --

21 MR. HERNANDEZ: Oh.

22 MR. BACARISSE: -- come back to you. Thank  
23 you. Just hang in there.

24 MR. HERNANDEZ: All right. Thank you.

25 MR. BACARISSE: You have a seat right there.

1 Thank you, sir.

2 Good morning. Please state your name and so  
3 forth for the record, please.

4 MS. LOWE: Good morning, Board Members,  
5 Chairman Bacarisse and Director Avitia. My name is Joyce  
6 Lowe, and I'm the Enforcement attorney who tried this case  
7 at SOAH.

8 I am here this morning to request that the  
9 Board adopt the proposal for decision as to Findings of  
10 Fact 1 through 7, and Conclusions of Law 1 through 11 and  
11 13, as amended by the Administrative Law Judge's  
12 exceptions. However, as to Conclusion of Law 12, I am  
13 requesting that the civil penalty be changed to \$1,000 per  
14 excess buyer's temporary tag, and that the sanction be  
15 capped at \$500,000. This is in keeping with the  
16 allegations in the second amended notice of Department  
17 decision, as well as witness testimony presented at SOAH  
18 by Heather Pierce and as presented in the disciplinary  
19 matrix submitted into evidence at trial as Exhibit 28.

20 In this case, from January 1 through July 31,  
21 2022, Respondent reported selling 177 vehicles, but issued  
22 1,080 buyers' temporary tags. So in a seven-month period,  
23 Respondent issued 903 buyers' temporary tags in excess of  
24 reported sales.

25 Conclusion of Law 12 is a sanction

1 recommendation. The Board is not required to give  
2 presumptively binding effect to recommendations regarding  
3 sanctions in the same manner as to other findings of fact  
4 and conclusions of law. In the proposed final order in  
5 the written materials that I sent to Respondent and to the  
6 Board, I cite case law and reasoning for the request that  
7 I am making this morning.

8 The Board is the ultimate decision-maker  
9 regarding sanctions, so long as the Board follows Texas  
10 Government Code, Section 2001.058(e). The modification to  
11 Conclusion of Law 12 is necessary because the ALJ did not  
12 properly apply nor interpret the factors in Texas  
13 Occupations Code, Section 2301.801(b) that the Board  
14 considers in determining the amount of a civil penalty.

15 As we heard in Ms. Moriaty's introductory  
16 remarks, those factors are: the seriousness of the  
17 violation, including the nature, circumstances, extent and  
18 gravity of any prohibited act, and the harm or potential  
19 harm to the safety of the public; two, the economic damage  
20 to the public caused by the violation; three, the history  
21 of previous violations; four, the amount necessary to  
22 deter a future violation; five, efforts to correct the  
23 violation; and six, any other matters that justice may  
24 require.

25 I will highlight two of these factors. As to



1 Factor 1, the seriousness of the violation, the misuse of  
2 buyers' temporary tags is a very serious offense because  
3 it breaches the trust that the State puts in a dealer when  
4 it allows access to the State's Registration and Title  
5 System.

6 As to Factor 6, any other matter that justice  
7 may require, Petitioners admitted Exhibit 28 is the  
8 disciplinary matrix in use at the time of the violations.

9 The disciplinary matrix is a guide, so dealers know the  
10 types of violations and the civil penalty ranges to expect  
11 if those violations occur. The disciplinary matrix in  
12 effect at the time of the violations recommends a high  
13 sanction of \$2,000 per misuse of a buyer temporary tag.  
14 Keep in mind that the Texas Occupations Code, Section  
15 2301.801(a) gives authority to assess civil penalties of  
16 up to \$10,000 per violation.

17 This morning, I ask the Board for a strong  
18 sanction that falls in the mid-range of the disciplinary  
19 matrix in effect at the time of the violations, and that  
20 reflects the adoption of the findings which includes  
21 Section 2301.801(b) factors. The appropriate sanction is  
22 \$1,000 per violation, given the egregiousness of the  
23 misuse of tags in such a short period of time, and that  
24 the penalty be capped at \$500,000, again, given the  
25 egregiousness of the misuse, which was 903 excess buyer

1 temporary tags in a seven-month period.

2 Respondent failed to provide any mitigating  
3 evidence at trial to diminish the civil penalty.

4 Remember, misuse of buyer temporary tags breaches the  
5 trust that the State puts in a GDN holder when it allows  
6 that license to access the State's Registration and Title  
7 System. In the past, the Department has revoked GDNs of  
8 Respondent's, as the ALJ has recommended in this case, and  
9 in the past, the Board has ordered civil penalties of  
10 \$1,000 per violation.

11 For the aforementioned reasons, in this case,  
12 Conclusion of Law 12 should read as follows: Respondent  
13 should be assessed a penalty of \$500,000 for issuing 903  
14 buyer temporary tags without corresponding vehicle sales.

15 Texas Transportation Code, Section 503.038(a)(12); Texas  
16 Occupations Code, Section 2301.801(a).

17 Thank you for your time and consideration this  
18 morning.

19 MR. BACARISSE: Thank you, Ms. Lowe.

20 Members, are there questions for Mr. Hernandez  
21 or Ms. Lowe at this point?

22 MS. MORIATY: Chairman, if I may. I'm sorry --

23 MR. BACARISSE: Oh, yes, Ms. Moriatty?

24 MS. MORIATY: Could you please ask the  
25 representative of the Department if the statements made by

1 Respondent in the beginning were all reflecting  
2 information that's in the record? I just want to make  
3 sure they all aren't going to base their decision on --

4 MR. BACARISSE: Right. And I understand there  
5 were statements made that were not reflected in the  
6 record.

7 MS. MORIATY: Right.

8 MR. BACARISSE: So do you want us -- do you  
9 want to pinpoint those?

10 MS. MORIATY: I just was hoping Ms. Lowe --

11 MR. BACARISSE: Is that your desire?

12 MS. MORIATY: -- could at least tell y'all  
13 which broad areas were not part of the record.

14 MR. BACARISSE: Okay. Ms. Lowe, I'll ask, as  
15 the Chair, could you point to parts of Mr. Hernandez's  
16 testimony that would fall outside of the record?

17 MS. LOWE: Well, for one thing, he stated that  
18 there were two exhibits admitted into evidence, but if you  
19 review the transcript, there was only one exhibit admitted  
20 into evidence, which was Exhibit 7 that he presented to  
21 you this morning. And if you notice on that exhibit, the  
22 Judge didn't give much weight to that, because it  
23 wasn't -- you know, the violations occurring in 2022, and  
24 the police report wasn't dated until March 2023. So there  
25 wasn't that much credence given to that.

1           As far as the expert witness testimony, that  
2 was all impeached by our witness. So he wasn't an IT  
3 expert. I think his qualifications were that he helped  
4 develop websites and promote businesses, not that he had  
5 expertise in the ins and outs of hacking and breaching and  
6 those type things. So the Judge didn't give that much  
7 weight to that evidence.

8           As far as -- the license was in APA expired  
9 status, which grants the license holder the ability to  
10 continue doing business. He mentioned the APA letter.  
11 Those do go out to dealers so they can -- you know, until  
12 the Board decides this case today, that license is still,  
13 right now -- it's still an active license in APA expired  
14 status. So that's a little bit of a change from what he  
15 was talking about.

16           Do you have any other specific questions?

17           Sure.

18           MR. BACARISSE: I don't.

19           Members, any other questions for Ms. Lowe?

20           Member Jones?

21           MR. JONES: I'm Member Jones. Ms. Lowe, if his  
22 license is currently in the APA expired status, that means  
23 he has been able to continue to sell cars?

24           MS. LOWE: Yes.

25           MR. JONES: Does that also mean that he has

1 intended to have access to print the temporary eTAGs?

2 MS. LOWE: No, because we did file a denial of  
3 access to the system, and that went into effect as soon as  
4 we filed that, and that was sent out to him. So at that  
5 point, there is an ability to potentially obtain the 30-  
6 day permits, if you sold a vehicle, but you can't -- he  
7 doesn't have access to the eTAG system.

8 MR. JONES: Okay. Thank you.

9 MR. BACARISSE: Members, are there any other  
10 questions for Ms. Lowe?

11 Member Graham?

12 MR. GRAHAM: So trying to understand some of  
13 the testimony on the record regarding that period of time  
14 where he -- clearly, there were temporary plates being  
15 issued from the account, and there was a necessity to  
16 request additional paper plates -- additional plates, and  
17 that there was some testimony regarding that the GDN  
18 holder might need more for additional locations that were  
19 coming? Or then there was some -- one sentence about a  
20 statement that his system was hacked.

21 So could you just provide clarity as to,  
22 specifically in the record, those -- that issue? What  
23 was -- was there a statement that the system was hacked  
24 before the -- you know, during that period -- time frame  
25 where they were being issued? Am I making -- do you

1 understand my question?

2 MS. LOWE: There wasn't any evidence that the  
3 Judge gave credence to. There wasn't any evidence showing  
4 that there was any kind of hack. Our system was never  
5 hacked, and there was testimony to that effect. The  
6 testimony was also that he never contacted the Department.

7 If he had those suspicions, he would have  
8 contacted the Department, asked that he have a new,  
9 different login and password to prevent that login and  
10 password from being used. But that never happened and  
11 there was never any contact with the Department in that  
12 regard. The only contact was to ask for more tags.

13 MR. GRAHAM: And so those requests were  
14 granted?

15 MS. LOWE: No, they weren't, because in the  
16 first instance, there was more information requested from  
17 Respondent, which Respondent never provided. So then the  
18 Respondent re-asked for again more tags, but in a lesser  
19 amount. And again, when requested for information to  
20 determine whether it was appropriate to give those, the  
21 information wasn't fully provided, and so they weren't  
22 given again.

23 MR. GRAHAM: And so this was that period of  
24 time where we did not yet have things in place to  
25 trigger -- you know, where there was no -- nothing to tell

1 the system, okay, this is way over the normal use of tags.

2 This was before that occurred. Is that right?

3 I don't remember exactly what date it was that  
4 we went in and -- the agency went in and made those  
5 modifications.

6 MR. BACARISSE: Member -- Chairman Avitia?

7 MR. AVITIA: Member -- for the record, Daniel  
8 Avitia, Executive Director.

9 I don't have the exact date where we put a tag  
10 limit in place. I'm not sure if somebody in Enforcement  
11 recalls that date. Bryan or Corey [phonetic]? It's been  
12 a couple of years. But --

13 VOICE: (From audience.) The beginning of '22.

14 MR. AVITIA: Beginning of '22 is what I'm  
15 hearing from folks out there. Is that right?

16 MR. GRAHAM: Right in that time frame, I guess.

17 MR. AVITIA: Yeah.

18 MR. GRAHAM: Okay. I'm just trying to get all  
19 that straight in my head. So --

20 MR. AVITIA: Yes, sir.

21 MR. GRAHAM: -- that's the only question I have  
22 at this point.

23 MR. BACARISSE: I have a question. I'm not  
24 sure to whom it ought to be directed, either Ms. Lowe or  
25 Ms. Moriaty. What is a dealer's obligation if they

1 believe that there's been a breach of their system, under  
2 either our operational guidelines, code, law? What is the  
3 dealer's responsibility to report and sort of try to self-  
4 correct the problem?

5 How would you explain that? Or is that in the  
6 record? Am I outside the record?

7 MS. LOWE: I can't remember. Lucie Prieto was  
8 the witness that spoke to that.

9 MR. BACARISSE: I just don't have the  
10 transcript with me, but --

11 MS. MORIATY: I don't believe that there's a  
12 specific requirement in statute or rules that affect -- I  
13 think that SOAH has described things that seem intuitive,  
14 if you were trying to protect your information, but I  
15 don't --

16 MR. BACARISSE: Sure.

17 MS. MORIATY: -- believe that we have specific  
18 requirements for reporting.

19 MR. BACARISSE: Okay.

20 MS. MORIATY: I'll let y'all know if I find out  
21 I'm wrong.

22 MR. BACARISSE: Okay.

23 Member Omumu? Yes, Member Omumu.

24 MS. OMUMU: Along those lines, is there  
25 anything in the system as well -- maybe this question is



1 for the agency -- is there anything in the system that  
2 would suggest more tags than what you thought you printed,  
3 what actually printed on a monthly basis, weekly basis?  
4 Is there anything in the system that kind of shows you  
5 where you are, at any given point in time, when the  
6 quantity of tags printed?

7 MS. LOWE: Not --

8 MR. AVITIA: Chair, if we may? Member Omumu,  
9 if we may call Monique Johnston up and she can speak to  
10 that question.

11 MS. OMUMU: Thank you.

12 MR. BACARISSE: Sure.

13 Ms. Johnston, will you come up, please? And of  
14 course, state your name and position for the record.  
15 Thank you.

16 MS. JOHNSTON: Hi. Monique Johnston, Director  
17 of the Motor Vehicle Division.

18 Yes. There is the system -- they can log into  
19 the system and see how many tags they have remaining and  
20 how many they printed. The system also shows on our end  
21 what their balances are. And so if someone were to  
22 request an increase in tags, we can look at their tag  
23 history, as well as the dealer can look at their tag  
24 history and see how many they've used and what's been  
25 printed.

1           And it is stated, I think -- we think it's in  
2           the rule that it's stated that it's the responsibility of  
3           the dealer that they have to -- if they feel like there's  
4           been a breach of their eTAG system or of their eLICENSING  
5           accounting, they're responsible for changing passwords and  
6           making sure that is secure, keeping that secure, if --  
7           whether it be an employee or someone else, or someone  
8           hacked into the system, that they make those changes, and  
9           then they should notify the Department as well.

10           MS. MORIATY: Mr. Chairman, if I may? I wanted  
11           to clarify for y'all, on page 8 of the PFD, the ALJ  
12           recorded that there was testimony from our folks that if a  
13           dealer's account has a problem such as hacking, the dealer  
14           should immediately request their administrative  
15           information changed through the system. She noted that  
16           this was not done by Respondent.

17           MR. BACARISSE: Thank you.

18           Member Jones, do you have a question?

19           MR. JONES: Yes. I'm not sure if this question  
20           is for Monique or for Ms. Lowe. You had mentioned that we  
21           have the ability as dealers to go in there and see that on  
22           a weekly, daily, monthly basis.

23           MS. JOHNSTON: They can see their balance.

24           MR. JONES: Correct.

25           MS. JOHNSTON: Yes.

1 MR. JONES: I know we do a compliance check  
2 once a month to verify that the number of tags we've  
3 issued is very similar, if not exact, to the number of car  
4 sales that we're reporting.

5 But when Mr. Hernandez would have called to  
6 request additional tags, what type of information would he  
7 have been asked to provide in order to increase the number  
8 of tags? Is that a report from the Tax Assessor-  
9 Collector's office, show them where you've paid your  
10 yearly property tax on the number of sales? Or do you  
11 know what type of information --

12 MS. JOHNSTON: Yes.

13 MR. JONES: -- he would need?

14 MS. JOHNSTON: Our department -- Monique  
15 Johnston, for the record.

16 Yes. Our department actually are the ones  
17 who -- MVD processes those application requests for tag  
18 increases. And so when they submit there, we'll do  
19 a written report of the tags that they've printed. We'll  
20 compare it to their titles to see if -- you know, if it's  
21 one-to-one comparison, if there's duplicate tags, and then  
22 we will also ask copies of their statements and their sale  
23 reports to see if they had a large increase in sales, and  
24 if, you know, they have legitimate tag usage, compared to  
25 their sales and if they should get an increase in tags.

1           And so that's what -- the information we look  
2 at. So we ask for that information from the dealer before  
3 we make a decision. And that was not provided.

4           MR. JONES: But likely, that is what you -- was  
5 asked of Mr. Hernandez --

6           MS. JOHNSTON: Correct.

7           MR. JONES: -- to provide.

8           MS. MORIATY: Mr. Chairman, if I may?

9           MR. BACARISSE: Ms. Moriatty?

10          MS. MORIATY: So on page 8, it says,  
11 "Respondent was asked why additional tags were needed, and  
12 Respondent indicated that, due to having two locations and  
13 potentially a third one coming up, they needed more." He  
14 also mentioned the possibility of the system being hacked,  
15 and that's when Ms. Prieto noted that it was his  
16 responsibility to contact them for new login information.

17          MR. BACARISSE: Members, any other questions  
18 of -- yes, Member Schlosser?

19          MR. SCHLOSSER: Maybe this would be -- Member  
20 Schlosser for the record. Within the system, is there an  
21 IP address tracking for each requested tag to see where it  
22 was requested from?

23          MS. JOHNSTON: Monique Johnston, for the  
24 record.

25          That is out of my technical abilities. I might

1 have to ask IT for that --

2 MS. MORIATY: Mr. Chairman, if I may? I'm  
3 concerned that that's outside the record.

4 MR. BACARISSE: Okay. No problem.

5 MS. MORIATY: Thank you.

6 MR. BACARISSE: Thank you. Sorry. We're  
7 confined to the record.

8 Members, are there any other questions of Ms.  
9 Lowe, Ms. Johnston? Anyone?

10 (No response.)

11 MR. BACARISSE: Seeing none, certainly, we want  
12 to -- we would open that -- Members, any questions for Mr.  
13 Hernandez, the Respondent?

14 (No response.)

15 MR. BACARISSE: No? We good?

16 Member Jones has a question for Mr. Hernandez.

17 MR. JONES: Mr. Hernandez --

18 MR. HERNANDEZ: Yes?

19 MR. BACARISSE: Yeah.

20 MR. JONES: Member Jones.

21 Mr. Hernandez, did you have anyone that was  
22 appointed at your dealership to have the responsibility of  
23 making sure that the number of tags that the system was  
24 issuing under your GDN number was similar or exact of what  
25 you were actually doing in retail?

1 MR. HERNANDEZ: To be honest, we've been doing  
2 this for -- before doing a car dealership, I was a teacher  
3 for eight years, and we've been doing this since 2010.  
4 That was my first dealership. Then I opened T. C. Auto  
5 Finance, 2012.

6 We have never had these issues with these paper  
7 plates. I heard, 2021, they would set a limit. When the  
8 system triggered, one of my clerk -- I don't really work  
9 in the office.

10 There are two ladies there. One has been  
11 working since 2014, and the other one was working since  
12 2020. We never had a problem with paper tags in the past.

13 That wasn't something in my mind to see, oh,  
14 they're hacking my account. Right? We never had a  
15 problem. It's my first time that I have a problem with  
16 somebody stealing the information from the system or is  
17 stealing vehicles from the auctions.

18 Paper tag wasn't in my mind at all. I stay  
19 off-site, fixing the vehicles, buying the vehicles, going  
20 to the auction, and I'm so busy, busy, work. To be  
21 honest, the ladies that are there even right now, I --  
22 they are the ones that control everything. And what they  
23 would come and tell me is people have called me for paper  
24 tags very often.

25 But I say, well, this -- you know what's going

1 on with the paper tags? They would call. They would say,  
2 no. And then they still call up to now, because they can  
3 get the phone number from the Google app.

4 If there was something I knew it would happen,  
5 of course I would do what is supposed to be, but this is  
6 something that -- it was unexpected. You know, you think  
7 of a prank. No, but it was a prank to happen. It's  
8 something that you're not thinking it was going to happen.

9 It just happened. Before conducting the  
10 hearing, the -- we did a phone call, a conference call  
11 with the Department and my attorney, because at the end,  
12 they basically forced me to get an attorney to hire, an  
13 attorney for two years. He really wanted me to accept the  
14 offers the Department was doing to me. Before the  
15 hearing, they did pretty much sweeten the offer to do  
16 this.

17 I told them the same thing. It's nice. Thank  
18 you so much, but accepting any offer is the same as  
19 accepting that I did it.

20 And we know, for two and a half years, that we  
21 have done -- we found people. We have -- we found paper  
22 tags. We found the -- you can go right now, search *venta*  
23 *de platas de papel*, which are -- it's not that -- it's  
24 there, still today.

25 We knew somebody hacked the account. The tech

1 company that we hired, he -- the person who testified, he  
2 has many workers. He testified that they -- that he is  
3 not the certified person, but the people who work for him  
4 are. So the ones that did the assessment was the people  
5 that -- and it's on record.

6 I'm not -- you can go back --

7 MR. JONES: There was no specified complaints,  
8 manager or anyone who was routinely checking the account.  
9 Right?

10 MR. HERNANDEZ: Not really, because the ladies  
11 at the office, they -- all they do, whenever we sell a  
12 vehicle -- just go and print the plates.

13 MR. JONES: Okay.

14 MR. HERNANDEZ: Whenever we have -- we had --  
15 back in June, we had a knowledge from the system -- hey,  
16 this happened. What I thought at the moment -- I thought  
17 that, oh, they were going to set up the limit. So we sell  
18 anywhere from 300 to 400 plates. We probably get into the  
19 limit now.

20 Something else that I would like to say. At  
21 the beginning, the -- our decision was for 1,332 paper  
22 plates. It wasn't for 900, 1,000 -- 900 paper plates. I  
23 don't know. I don't control the system.

24 Ever since I got that notice, that notice  
25 wasn't only a notice. It was a sentence at the same time.



1 We got blocked from everything. We didn't have a chance  
2 to go back.

3 But the first notice -- and you can go on the  
4 system -- it was for 1,332. I don't know how they came  
5 from 1,332 back to 900 plates. I don't control that.

6 I'm saying, I think the process has been  
7 somehow a little unfair, you know, going against somebody  
8 on the other team that is ref and player at the same time.

9 That's the way it is. At the end, they control  
10 everything.

11 Thirty-two pieces of evidence were uploaded to  
12 the hearing. There were only two taken by the Judge, and  
13 then it's only one today. The assessment is not there.  
14 But you can go to the hearing and you can see the  
15 testimony from the person, and the assessment was also  
16 there too.

17 MR. BACARISSE: Also --

18 MR. HERNANDEZ: So --

19 MR. BACARISSE: -- thank you, Mr. Hernandez.

20 MR. HERNANDEZ: No problem.

21 MR. BACARISSE: Members, any other questions  
22 for Mr. Hernandez on this?

23 Member Graham?

24 MR. GRAHAM: And I'm going to ask Counsel to  
25 walk through me here, very closely, to make sure this

1 would be in the record, and I will not know what his  
2 response will be, whether it will be in the record or out  
3 of the record. But my question would be, clearly no  
4 new -- you needed additional tags in early '22, somewhere  
5 between January and July '22. That is the point at which,  
6 if I understand, you requested additional tags?

7 MR. HERNANDEZ: Yes, yes, yeah.

8 MR. GRAHAM: And it's also my understanding,  
9 based on the testimony, that at that time, you made the  
10 statement that it was either -- you needed more tags,  
11 because either you were going to have additional locations  
12 or maybe your account was hacked. Is that correct?

13 MR. HERNANDEZ: Yes, yes, yes, yes.

14 MR. GRAHAM: And then it's also my  
15 understanding, based on the testimony in the record, that  
16 you didn't take any action to address the potential  
17 hacking until sometime in early 2023. Would that be  
18 accurate?

19 MR. HERNANDEZ: Well, at that moment, I  
20 requested the plates, but at that moment I didn't think  
21 there was actual hacking. We went around the office to  
22 ask the people there if they had something to do with the  
23 plates? They said, no, everything is fine; everything is  
24 good.

25 I requested more plates because, at that

1 moment, I was somehow ignorant what was going -- or what's  
2 going on. One, we received the notice from the  
3 departmental decision, that it took me months to  
4 understand, months, not -- it wasn't overnight. It took  
5 me months to understand. We found out, these -- few  
6 months later.

7 We didn't know where to start. It was  
8 something new. So it took me months to understand  
9 everything, and looking for somebody that you cannot see  
10 was really hard. So this person who called us and  
11 testified what was going on online -- there was a store  
12 online that is still today -- you can research right now.

13 That was the main point that we started with.  
14 We started from there. It was March 2023.

15 If I knew in 2022, I probably won't be --  
16 wouldn't be here. I've been waiting for two and a half  
17 years. I waived many offers they made, because I know by  
18 a fact that we didn't do it.

19 So it's probably our fault that we didn't  
20 check. We wasn't expecting it, but it's also the system.  
21 We had the system. We didn't make up the system.

22 The system had some problems. They could do  
23 this. I'm not saying it's Texas DMV's fault. If you're  
24 saying -- there was a way that they could do it and  
25 they're still doing it.

1           We also have paper plates from other dealers  
2 that are being sold. And the people come to our office to  
3 print them, to laminate them. So we have proof of that.  
4 And they -- the Department also had them, with new  
5 dealerships.

6           So they're still hacking other people that --  
7 and I knew -- I know now that there is a new law about  
8 this and new paper -- and new plates are going on. The  
9 reason why, the problem was because the other -- the old  
10 system had some problems.

11           And I believe not everybody is guilty all the  
12 time. Not everybody is at fault. So if the system failed  
13 and there's a new system in place now, I think it  
14 shouldn't be the responsibility for one person when  
15 something happened, but the whole system failed somehow.

16           So the new system is -- and the old system is  
17 not good anymore, so we're going to replace it. And I  
18 think that the benefit of the doubt should be given to T.  
19 C. Auto Finance.

20           MR. JONES: Thank you.

21           MR. BACARISSE: Members, any other questions?

22           Ms. Moriaty, I see you looking at me.

23           MS. MORIATY: Mr. Chairman, I phoned a friend  
24 and found a rule that's exactly applicable to the duties  
25 of a dealer under these circumstances.

1 MR. BACARISSE: And would you explain the  
2 background of where this --

3 MS. MORIATY: Absolutely. So this rule is in  
4 43 Texas Administrative Code Chapter 215, Section 150,  
5 215.150, and we are in (d). "A dealer" -- excuse me -- "a  
6 dealer or convertor is responsible for all use of and  
7 access to the applicable temporary tag database under the  
8 dealer or convertor's account, including access by any  
9 user or unauthorized person. Dealer and convertor duties  
10 include monitoring temporary tag usage, managing account  
11 access, and taking timely and appropriation actions to  
12 maintain system security, including" -- and then it lists  
13 five factors such as establishing passwords, keeping  
14 unauthorized users out, et cetera, et cetera.

15 MR. BACARISSE: Thank you.

16 Members, any other questions for Mr. Hernandez?

17 (No response.)

18 MR. BACARISSE: Seeing none, the Chair would  
19 call for a motion, if one is coming forward from the  
20 Members.

21 Member Jones?

22 MR. JONES: Member Jones. Yes, sir. Mr.  
23 Chairman, I would move that the Board adopt Findings of  
24 Fact Nos. 1 through 6 and Conclusions of Law No. 1 through  
25 11 and No. 13 from the Proposal for Decision, as amended

1 by the Administrative Law Judge's exception letter, dated  
2 January 3, 2025.

3 I further move that the Board modify Conclusion  
4 of Law No. 12 to read as follows, Respondent should be  
5 assessed a penalty of \$500,000 for issuing 903 buyers'  
6 temporary tags without corresponding vehicle sales tax.

7 MR. BACARISSE: Is there a second for this  
8 motion?

9 MS. OMUMU: I second, Mr. Chairman.

10 MR. BACARISSE: Member Omumu seconds.

11 MS. MORIATY: I'm sorry, sir. He has to  
12 explain his reasoning, I'm afraid.

13 MR. BACARISSE: Oh, okay.

14 MS. MORIATY: So he's got a bit more.

15 MR. BACARISSE: Backing up, sorry. Hold that a  
16 second. Sorry.

17 MR. JONES: This amendment is necessary because  
18 the Administrative Law Judge improperly applied or  
19 interpreted Texas Transportation Code 503.095 and  
20 Occupations Code 2301.801, and the factors specified in  
21 the Department's disciplinary matrix when she assessed a  
22 penalty of \$100 per inappropriately issued temporary tag,  
23 for a total penalty of \$90,300.

24 To determine the appropriate penalty for misuse  
25 of temporary tags, the Board looks to factors in

1 Occupations Code 2301.801, including the seriousness of  
2 the violation, the history of previous violations, and the  
3 amount necessary to deter future violation. Misuse of  
4 temporary buyer's tags is a very serious offense, terrible  
5 breach of the trust that the State puts in the GDN holder  
6 when it allows a licensee access to the State's temporary  
7 tag system.

8 Finding of Fact No. 2 shows that Respondent's  
9 misuse was particularly serious because Respondent issued  
10 temporary tags for vehicles that Respondent had not sold  
11 and improperly issued six times more temporary tags than  
12 the number of vehicles Respondent actually sold. A strong  
13 sanction is necessary to create a sufficient deterrent to  
14 Respondent and others like them who are tempted to misuse  
15 temporary tags.

16 Respondent has shown that they are not easily  
17 deterred through their two prior disciplinary orders  
18 described in the Finding of Fact No. 3, including one that  
19 involved temporary tags. The ALJ's recommendation  
20 sanction is not sufficient to address these concerns.  
21 Penalty of 500,000 would offer more deterrent value and  
22 would better reflect the seriousness of this violation.

23 Conclusion of Law No. 12 must therefore be  
24 changed to state that the Respondent should be assessed a  
25 penalty for 500,000 for issuing 903 buyers' temporary tags

1 without corresponding vehicle sales. Based on the  
2 findings of fact and conclusions of law with these  
3 modifications, I move that the Board revoke the  
4 Respondent's GDN license and issue a penalty of \$500,000.

5 MR. BACARISSE: My apologies for interrupting  
6 earlier. Thank you, Member Jones.

7 Is there a second to this full motion which has  
8 now been heard?

9 MS. OMUMU: I second, Mr. Chairman.

10 MR. BACARISSE: Member Omumu is the second. Is  
11 there -- and Board Member Jones, as the maker of this  
12 motion, would you want to say anything further in  
13 deliberation here, or do we just want to pass it forward?

14 MR. JONES: Well, I think that, you know, one  
15 of the reasons that we are facing a major overhaul, House  
16 Bill 718, that costs taxpayers millions of dollars and a  
17 lot of headache and work for this Department --

18 MR. BACARISSE: Yeah.

19 MR. JONES: -- are due to cases that are like  
20 this. If we didn't have the abuse of the system, if we  
21 didn't have dealers that were doing that, then I don't  
22 think we would have had to go through anything to do with  
23 House Bill 718. So although we could fine up to \$1,000  
24 per violation, which would be almost a million dollars, I  
25 think somewhere in the middle there. I think 100 is too



1 light, so that's why.

2 MR. BACARISSE: Members, any other questions on  
3 this motion?

4 MS. OMUMU: I have just a comment, Mr.  
5 Chairman --

6 MR. BACARISSE: Member Omumu?

7 MS. OMUMU: So Mr. Hernandez, you did state  
8 that not everyone is guilty. You are correct, but as the  
9 GDN holder, you are responsible as executive -- or General  
10 Counsel Moriarty stated. So you are responsible for the  
11 use of that eTAG system.

12 So you may not be guilty, but you are  
13 responsible. And I think that's why the motion was made.

14 MR. BACARISSE: Members, any other question on  
15 the motion.

16 MR. GRAHAM: I have a comment.

17 MR. BACARISSE: Member Graham?

18 MR. GRAHAM: I just want to say that I can't  
19 support this motion simply not because I don't think that  
20 there was not temp tag abuse. I think -- well, there was  
21 either temp tag abuse or there was gross mismanagement,  
22 one or the other, and either way, that is a compelling  
23 reason why this GDN holder should lose his license.

24 I do believe that the removal of his license is  
25 the greatest penalty and severest penalty that a dealer

1 can have, and it just feels like throwing a half million  
2 dollars in there is just kind of piling on. I would be  
3 supportive of the ALJ's recommendation for that reason.

4 But that's -- I just wanted to explain my  
5 position. So thank you.

6 MR. BACARISSE: Do you wish to make a friendly  
7 amendment?

8 MR. GRAHAM: I do not. Only if this motion  
9 fails, I would be prepared to make another, but --

10 MR. BACARISSE: Okay.

11 MR. GRAHAM: -- I'm sure we need to take a  
12 vote.

13 MR. BACARISSE: All right.

14 Any further discussion, Members, on this item?

15 (No response.)

16 MR. BACARISSE: Seeing none, I will call the  
17 roll for a vote, please. When I call your name, please  
18 state your vote.

19 Member Alvarado?

20 MR. ALVARADO: Aye.

21 MR. BACARISSE: Member Graham?

22 MR. GRAHAM: Nay.

23 MR. BACARISSE: Member Jones?

24 MR. JONES: Aye.

25 MR. BACARISSE: Member -- Vice Chair McRae?

1 MS. McRAE: Aye.

2 MR. BACARISSE: Member Omumu?

3 MS. OMUMU: Aye.

4 MR. BACARISSE: Member Prewitt?

5 MR. PREWITT: Aye.

6 MR. BACARISSE: Member Schlosser?

7 MR. SCHLOSSER: Aye.

8 MR. BACARISSE: And I, Jim Bacarisse, vote aye,  
9 as well. It is seven to one. Okay. Thank you.

10 There's seven votes for it and one against.

11 Okay, great. The motion passes.

12 We're going to move on now to Agenda Item No.  
13 6, which is Specialty Plate Design. And since I work for  
14 Houston Christian University as Vice President of Major  
15 Gifts and HCU has one of its Specialty License Plates up  
16 for consideration today, in an abundance of caution and  
17 good judgment, I will recuse myself from deliberating and  
18 voting on Agenda Item No. 6.

19 I will now turn this meeting over to Vice Chair  
20 McRae to preside over Agenda Item No. 6.

21 Vice Chair McRae, thank you.

22 MS. McRAE: Thank you, Chairman Bacarisse. We  
23 will continue with Agenda Item No. 6, and I will turn this  
24 over to Tricia Ueckert.

25 MS. UECKERT: Good morning. Good morning,

1 Members, Executive Director Avitia.

2 My name is Tricia Ueckert. I am the Operations  
3 Director in the Vehicle Titles & Registration Division.  
4 This is Agenda Item 6, which can be found on page 64 of  
5 your Board books.

6 The action item before you is a request for  
7 Board approval or denial of three specialty plate designs  
8 in accordance with the Board's statutory authority. The  
9 following plate designs are from My Plates, the State's  
10 Specialty License Plates marketing vendor, and were posted  
11 for public comment in March 2025.

12 The first plate is Sigma Gamma Rho, which is a  
13 new plate design. It's proposed under Transportation Code  
14 504.851. 938 people liked this design and 192 did not.

15 Next is Ducks Unlimited, which is a crossover  
16 plate design. It's proposed under Transportation Code  
17 504.851 and 504.6011. 223 people liked this design and  
18 154 did not.

19 And last, we have Houston Christian University,  
20 which is a new plate design. It's proposed under  
21 Transportation Code 504.851. 194 people liked this design  
22 and 120 did not.

23 This concludes my presentation on this action  
24 item, and I'm available to take any questions you may  
25 have.

1 MS. McRAE: Okay. Board, do we have any  
2 questions for Ms. Ueckert?

3 MR. GRAHAM: I do.

4 MS. McRAE: Okay.

5 MR. GRAHAM: Could I just see the Sigma Gamma  
6 Rho?

7 (General laughter.)

8 MS. McRAE: Thank you, Member Graham.

9 MR. GRAHAM: People love that. People love  
10 seeing the new plates. It makes them excited.

11 MS. McRAE: Okay. Thank you, Ms. Ueckert.  
12 Laura, do we have any public comment?

13 MS. MORIATY: No, ma'am, we do not.

14 MS. McRAE: Okay. Seeing as we have no public  
15 comment, I will now entertain a motion on Agenda Item No.  
16 6.

17 MR. PREWITT: Ms. Vice Chairman, I move that  
18 the Board approve the specialty plate designs, as  
19 presented by staff.

20 MS. McRAE: Okay. Do we have a second?

21 MR. GRAHAM: Second.

22 MS. McRAE: We have a motion and a second. Any  
23 further discussion?

24 (No response.)

25 MS. McRAE: Okay. I will now call for the

1 vote. Board Members, as I call your name, please state  
2 your vote for the record.

3 Board Member Alvarado?

4 MR. ALVARADO: Aye.

5 MS. McRAE: Board Member Graham?

6 MR. GRAHAM: Aye.

7 MS. McRAE: Board Member Jones?

8 MR. JONES: Aye.

9 MS. McRAE: Board Member Omumu?

10 MS. OMUMU: Aye.

11 MS. McRAE: Board Member Prewitt?

12 MR. PREWITT: Aye.

13 MS. McRAE: Board Member Schlosser?

14 MR. SCHLOSSER: Aye.

15 MS. McRAE: And I, Vice Chairman McRae, also  
16 vote aye. Let the record reflect that there are seven  
17 votes for and zero votes against, and let the record also  
18 reflect that Chairman Bacarisse recused himself from  
19 deliberating and voting on this item.

20 I'll now turn the meeting back over to Chairman  
21 Bacarisse.

22 MR. BACARISSE: Outstanding, dogs up.

23 (General laughter.)

24 MR. BACARISSE: Thank you all very much, and  
25 thank you, Vice Chairman McRae. Great job.

1           Agenda Item No. 7 is a briefing only, and we  
2 have a lot going on in Projects and Operations. That is  
3 for sure. So I would love to turn this over to Committee  
4 Chair John Prewitt, and he will give us a summary of the  
5 Projects and Operations Committee meeting that was held  
6 yesterday afternoon.

7           If members have questions on any of the items  
8 in the Projects and Operations Committee update, I will  
9 ask the staff to please come up to the podium to answer  
10 any questions of the Board.

11           So Member Prewitt, the floor is yours.

12           MR. PREWITT: Thank you, Chairman. Although I  
13 did not attend the Evelyn Wood School of speed reading, I  
14 will try to get through this as quickly as possible.

15           (General laughter.)

16           MR. BACARISSE: Take your time.

17           MR. PREWITT: Yesterday, Vice Chair McRae,  
18 Members Alvarado, Schlosser and I participated in the  
19 Projects and Operations Committee meeting and received  
20 briefings from the Department staff. There were no action  
21 items on the agenda.

22           Agenda Item 7.A., Enterprise Projects, 7.A.i.,  
23 Camp Hubbard Renewal Project, which is a briefing only.  
24 Glenna Bowman, the Department's Director of Finance and  
25 Operations, briefed the Committee on the most recent

1 activities related to Camp Hubbard Renewal Project.

2 The Texas Public Finance Authority issued the  
3 first disbursement of project funds on March 13, 2025, in  
4 the amount of \$8,945,000. Construction is 60 percent  
5 complete, as of the end of March. Renovations in CH 6 are  
6 underway, with wall framing and rough-in work for  
7 mechanical and electrical now in process.

8 The estimated completion for all CH 6 work is  
9 early fall 2025. FlintCo Construction has completed the  
10 demolition of Buildings CH 2, CH 3, and CH 5, and the new  
11 building foundations preparation work is currently  
12 scheduled to begin in April 2025.

13 We have some drone footage to share, so you can  
14 see a aerial view of the campus, post-demolition, and it  
15 is quite different, if you'll look. I don't have any  
16 color commentary --

17 (General laughter.)

18 MR. PREWITT: -- on this. We were blessed to  
19 have that from Glenna yesterday. But as you can see,  
20 quite a big of progress has been made on the demolition.  
21 The most stunning change is, there's no more cafeteria.

22 (General laughter.)

23 MR. PREWITT: Okay. But with the cafeterias  
24 gone, the other buildings that have been demolished as  
25 well, and we're in fast-forward speed, with the contractor



1 doing a great job.

2 Ms. Bowman is here to answer any questions.  
3 Are there any from the Board?

4 (No response.)

5 MR. PREWITT: Okay. Seeing none, let's move  
6 on. Agenda 7.A.ii, HB 718 Implementation. Roland Luna,  
7 Jr., the Department's Deputy Executive Director, provided  
8 an update on House Bill 718 Implementation.

9 The update provided a status on technological  
10 enhancements, training and outreach to stakeholders. And  
11 implementation efforts are on track to achieve integration  
12 and deployment of the Inventory Management System. Also  
13 enhancements to TxDMV systems, data management and system  
14 testing to ensure access and functionality for  
15 stakeholders is also on track.

16 A comprehensive cross-agency training plan was  
17 developed to ensure proper implementation of the new  
18 processes associated with HB 718. And the plan includes  
19 six core training topics, which include informational  
20 sessions, webDEALER System, and training requirements,  
21 metal plate processes, inventory management, process  
22 changes, and law enforcement.

23 Training has been provided to stakeholders by  
24 several divisions, and staff members increased the number  
25 of training opportunities, which enhances the reach for

1 wider range of internal learners around these topics.  
2 Training content is currently in the final states of  
3 development for metal plate processes.

4 Inventory management system training in metal  
5 plate changes for law enforcement. There have been a  
6 total of 105 webDEALER training sessions between February  
7 2024 and February 2025. Mr. Luna is here to answer any  
8 and all questions you might have.

9 Dead silence. So --

10 (General laughter.)

11 MR. PREWITT: Oh, there is one? Mark, yes,  
12 sir? Yes, Member?

13 MR. BACARISSE: Go ahead, Member Jones.

14 MR. JONES: Member Jones. Question for the --  
15 Mr. Luna. Do you know, at this point, what percentage of  
16 dealers that are licensed have completed the webDEALER  
17 required training?

18 MR. LUNA: Roland Luna, Deputy Executive  
19 Director, TxDMV.

20 Member Jones, there is approximately 6,000 to  
21 8,000 that are remaining to be trained. Yesterday, during  
22 the presentation, we talked about the number of  
23 individuals that have been trained, which exceeds 20,000  
24 now. That number is inclusive of both dealers and tax  
25 assessor-collectors.

1           We have just a handful of tax assessor-  
2 collector offices that need to be trained. But the  
3 numbers that we provided yesterday for dealers in  
4 particular do not reflect all of the numbers for the month  
5 of April. And while we're only on the 10th of April, we  
6 had one training event during this month where there were  
7 about 950 participants, in-person, that not only took  
8 webDEALER training, but signed up for webDEALER with the  
9 county and also set up their ACH.

10           In addition to that, we've also had a number of  
11 online webinars. We've had some self-paced completions as  
12 well, and those numbers are still being compiled. So we  
13 do anticipate that that number will continue to grow.

14           One of the other statistics that I think is  
15 really important is, over the last two weeks, we've seen a  
16 200 percent increase in webDEALER trainings from dealers.

17           So -- which means that dealers are really eager to  
18 complete their training in preparation for July 1.

19           MR. JONES: Okay. Thank you very much. I  
20 appreciate it.

21           MR. LUNA: Yes, sir.

22           MR. BACARISSE: I think the large event Mr.  
23 Luna was referring to was in San Antonio. It was  
24 organized by the Bexar County Tax Assessor. Is that  
25 right?

1 MR. LUNA: Yes, sir. Last week, Bexar County  
2 Tax Assessor-Collector Albert Uresti, in conjunction with  
3 the Department of Motor Vehicles, as well as TIADA and  
4 TADA, were also sponsors that held a training event at the  
5 HemisFair Arena.

6 And at that event, there were tax assessor-  
7 collectors from the adjacent counties, as well as DMV  
8 staff, and there were full-service deputies that attended  
9 as well. Over 900 people in person that provided -- that  
10 received the training. We provided a 718 overview. We  
11 provided a webDEALER training, and then we also had  
12 dealers that were signing up with the tax  
13 assessor-collector for webDEALER.

14 It was a great event. We answered hundreds of  
15 questions. There were so many dealers there. It was a  
16 great event.

17 It was one of the best-organized events. And  
18 when you have a high volume of people that way, it can be  
19 difficult to answer questions and to make sure that people  
20 feel comfortable with the material. Because there were so  
21 many people there, we broke it up into different lines  
22 where dealers can just stand in line and ask their  
23 questions, and we did not leave until we answered every  
24 question from every dealer.

25 We took questions for over two hours. There

1 were Enforcement staff there. VTR staff participated as  
2 well, and it was a great event.

3 MR. JONES: Well, thank you for supporting the  
4 dealers. A lot of the smaller dealers are just now acting  
5 like they're hearing about this, so I appreciate being  
6 able to get the resources out there to give them an  
7 opportunity to follow the rules and do the right thing.

8 MR. LUNA: Yes, sir.

9 MR. BACARISSE: I think it's a -- you know, as  
10 you know, Member Jones, whenever you run a business,  
11 there's 9,000 things happening at the same time. And now  
12 you realize, oh, my goodness, my world's about to change,  
13 you know. So there are folks saying, oh, that's great.

14 I'm just curious. Member McRae, I know you --  
15 I want to recognize you for a question. But I want to ask  
16 a question generally. At the upcoming TACA conference  
17 this summer, will there be training opportunities  
18 available at that conference for dealers?

19 MS. McRAE: Well, at the conference, we don't  
20 usually have dealers attend our conference --

21 MR. BACARISSE: Yeah.

22 MS. McRAE: -- but I was going to make a  
23 public -- make a comment. I'm sorry. Not a public  
24 comment.

25 I guess it is public, but we, as tax

1 assessors -- many of us have been handing out literature.  
2 We've been emailing. We've been calling. We've been  
3 picking up the phone and calling.

4 We've been receiving lists regularly from DMV.  
5 That's been very helpful for us to filter and to target  
6 our dealers that have not yet signed up. And we are --  
7 we're doing all that we can to try to help our dealers get  
8 this information, point them to the trainings.

9 I know I put -- we regularly put on our  
10 Facebook page, and hope that our dealers were following  
11 this, our local dealers -- but putting out there the  
12 trainings that DMV is offering. I know that Shay, our  
13 president, puts out on our listserv for the Tax  
14 Assessor-Collectors Association -- he gives -- hand-walks  
15 them through the process. He gives some literature that  
16 they can copy and put on their websites and that they  
17 could hand out to their dealers.

18 So we've all kind of joined forces. And it's  
19 been a collaborative effort trying to get the word out to  
20 our local dealers.

21 MR. BACARISSE: Thank you for that.

22 Members, are there any other questions for Mr.  
23 Luna on this particular point? There's more to come,  
24 but --

25 MR. PREWITT: Well, I will tell you that I

1 don't use the adjective "humongous" very often, but what  
2 Roland and his team are undertaking is humongous. And  
3 hats off to the Tax Assessor-Collectors being such a vital  
4 teammate all that, helping, but it's just been -- it's  
5 been just magical, seeing it happening.

6 Kudos to the team for turning on a dime when we  
7 went from paper back to metal, and it's just -- it's fun  
8 to watch. And I'm glad I'm not putting those 80-hour work  
9 weeks in myself.

10 (General laughter.)

11 MR. PREWITT: All right. Let's move on to  
12 Agenda Item 7.A.iii, RSC Expansion, Regional Service  
13 Center Expansions, Moves, and Renovations. Roland Luna  
14 also presented on this yesterday and provided an update on  
15 the expansions, as follows.

16 Number one, South Dallas expansion, which is at  
17 562 East Wheatland Road in Duncanville, Texas. The  
18 timeline on this is October 17. The Texas Facilities  
19 Commission approved the lease on November 1, '24. The  
20 construction was started in December '24.

21 The DMV Executive Team visited the site. The  
22 estimated completion actually is now.

23 Executive Director Avitia, I guess I can  
24 confirm this?

25 MR. AVITIA: I'm sorry. Say that --

1 MR. PREWITT: That the completion of this, the  
2 construction is completed on Duncanville?

3 MR. AVITIA: In two months.

4 MR. PREWITT: Two months? Okay.

5 MR. AVITIA: Yes.

6 MR. PREWITT: Two months' time. So we're on  
7 the verge of getting that done.

8 The South Houston expansion is going to be --  
9 this is the next one. It's on 11720 West Airport  
10 Boulevard in Meadows Place, which is next to Stafford in  
11 Houston, for those of you from that area. The timeline on  
12 that is basically October '24. TFC Commission approved  
13 the lease mid-'24.

14 Executive Team visited the potential site.  
15 We've just started construction on the site, and should be  
16 completed, hopefully, by July '25.

17 And then finally, the Pharr relocation, which  
18 is on 611 North Cage Boulevard, Pharr, Texas. The TxDOT  
19 awarded to Assisted Building Solutions a contract. This  
20 is where TxDOT is giving us the property and they're  
21 building the facility for us.

22 And then the construction is -- due date -- the  
23 construction is starting somewhere -- I guess we're  
24 started around March, and then should be completed, I  
25 guess, in August/September time frame of '25. Is that --



1 MR. AVITIA: Yes, sir. That's correct.

2 MR. PREWITT: Okay. So -- and then on the  
3 other items, the Long Range Facilities Plan.

4 Background findings, the Long Range Facilities  
5 Plan was compiled pursuant to Rider 12. The Department's  
6 2024-2025 biannual budget is detailed in House Bill 1,  
7 General Appropriations Act, 88th Texas Legislature Regular  
8 Session. Based on an in-depth analysis of selected  
9 markets, it was determined that leasing a site is  
10 47 percent more cost-effective than buying, and 59 more --  
11 59 percent more effective than building RSC facilities.

12 As such, TxDMV will continue to leverage  
13 commercially leased property space to operate RSC  
14 facilities that are not already located on TxDOT or TxDMV  
15 properties. It's important to note that, in this  
16 analysis, 10 offices were excluded. Eight RSC offices are  
17 located on TxDOT property, where the Department has no  
18 plans to relocate, due to the minimal lease cost at the  
19 locations for Abilene, Amarillo, Austin, Beaumont,  
20 Longview, Lubbock, Odessa, and Wichita Falls.

21 The San Antonio office was excluded because it  
22 was recently -- a recent relocation. It was leased  
23 through 2034. And then Corpus Christi office was  
24 excluded. Leasing is more economical for smaller office  
25 space, with only five staff members. We have a new

1 market, one new market being considered, which is Laredo,  
2 with a projected lease cost of \$634,000.

3 Roland is here also to answer questions on  
4 this. So if there are any?

5 MR. BACARISSE: Member Bacarisse. I'm just  
6 curious. What are the terms of the lease? How many years  
7 are we going to be -- do you know, off the top of your  
8 heads, in those facilities?

9 MR. AVITIA: Chairman, is there a specific  
10 facility that you are asking about?

11 MR. BACARISSE: Oh, just curious about the one  
12 that is to be done down in South Texas. Member Jones --

13 MR. AVITIA: Oh, okay.

14 MR. BACARISSE: -- just mentioned --

15 MR. AVITIA: Got you. The -- so, that's the  
16 new market area that we're looking --

17 MR. BACARISSE: Right.

18 MR. AVITIA: -- at, Laredo. So all of that is  
19 still to be determined.

20 MR. BACARISSE: Still to be determined?

21 MR. AVITIA: Yes, sir.

22 MR. BACARISSE: Okay. Thank you.

23 MR. PREWITT: Okay. Mr. Chairman, I'll -- if I  
24 may continue?

25 MR. BACARISSE: Please. Thank you.

1 MR. PREWITT: Agenda Item 7.A. -- 7.B. --  
2 pardon me -- Technology Projects. This is Agenda Item  
3 7.B.i., Registration and Title System (RTS) Replacement  
4 and Ecosystem Modernization. Wendy Barron, the  
5 Department's Chief Information Officer, provided an update  
6 on the RTS Replacement and Ecosystem Modernization  
7 Project.

8 The update included a description of the  
9 current project activities. This also falls under the  
10 category, humongous. To date, software updates to  
11 existing systems are in progress to ensure continued  
12 functionality and system optimization.

13 The internal assessment, led by Deloitte, has  
14 been completed, evaluating the current state, providing a  
15 phased implementation plan for system replacement. The  
16 external assessment, conducted by Gartner, is complete and  
17 findings are now informing the planning of site visits to  
18 other states to learn from their modernizations' efforts.

19 Those other states include Georgia, Arizona and  
20 California. And basically, following the idea that one  
21 state's doing off-the-shelf software, one is inventing its  
22 own, and the third, Georgia, was -- I'm trying to  
23 remember. There was -- one was doing its own. One is  
24 buying it off the shelf, and the third was sort of a  
25 hybrid, I believe.

1           But that's the reason those three states were  
2 chosen, specifically for that. And so efforts are  
3 underway to basically reach out to those states and meet  
4 with them.

5           Working on a quality assurance team.  
6 Deliverables is ongoing with business case and project  
7 justification submitted as part of the Legislative  
8 Appropriations Request. Organizational change management  
9 efforts are underway with a dedicated full-time employee  
10 and upcoming vendor support. And then the Procurement  
11 Assistance Vendor Solicitation being developed, with plans  
12 to release in early summer.

13           Ms. Barron is here to answer any questions on  
14 this item. Is Wendy here this morning?

15           MR. BACARISSE: Yeah, she sure is.

16           MR. PREWITT: There she is. Okay. She's  
17 hiding behind the column. Very good.

18           If not, then let's move on to the next one,  
19 Agenda Item 7.B.ii. of the projects. Wendy Barron, the  
20 Department's Chief Information Officer, also provided  
21 updates on the Voice to Cloud and Motor Carrier  
22 Credentialing System Rewrite Projects.

23           For the Voice to Cloud Project, the Genesys  
24 Call Center successfully went live on March 25, 2025.  
25 Teams calling will be implemented over several days,

1 starting the week of April 8, 2025. And the overall  
2 health of the project is great, which is good, with the  
3 end date scheduled again for April, this month.

4 For the MCCS Rewrite Project, the vendor has  
5 been solicited and the project is progressing rapidly.  
6 Discovering and analysis are complete, with deliverable  
7 received. And requirement gathering is ongoing, and the  
8 requirements traceability matrix, RTM, and wireframes are  
9 being completed.

10 A kickoff meeting with Rackspace took place on  
11 March 14, and the project's overall health is yellow, due  
12 to delays in the solicitation process, but it remains  
13 within scope and budget. The schedule will be re-  
14 baselined once the vendor's timeline is integrated.

15 Ms. Barron is available also for questions on  
16 this.

17 (No response.)

18 MR. PREWITT: Seeing none, let's move on.  
19 7.C., Payment Processing Transition. Wendy Barron, the  
20 Department's Chief Information Officer, also provided an  
21 update on the Texas.gov Payment Processing Transition.

22 In April 2024, the Department of Information  
23 Resources announced that First Data Merchant Services  
24 would take over the payment processing services from NIC/  
25 Tyler Technologies, effective September 1, 2025.

1 TxDMV began working with DIR and FDMS in May  
2 2024 to create a plan for transitioning 558 unique service  
3 codes used for online payments across TxDMV services.  
4 However, in late February, DIR informed TxDMV that their  
5 vendor could not meet the required deadlines, causing  
6 rework by the Department staff on the March release.  
7 Shortly after, DIR extended NIC/Tyler Technologies'  
8 contract until 8/31/26.

9 As a result, TxDMV decided to pause the project  
10 until September '25. However, the My Plates, TxFLEET and  
11 GovQA applications will continue with a revised schedule.

12 A new timeline for all of the applications will be  
13 developed later this summer, with DIR's help.

14 Wendy is also available to answer questions on  
15 this.

16 (No response.)

17 MR. PREWITT: Given none, then let's move on to  
18 7.D.

19 7.D., Accounts Receivable Project. We are  
20 closer to the end. Eric Horn, the Department's Director  
21 of Accounting, provided an update on the Accounts  
22 Receivable, A/R, System Project.

23 The Department received \$3.5 million in funding  
24 through House Bill 2 of the 87th Legislative Session to  
25 deploy this system. In February 2022, TxDMV contracted

1 with Gartner, Inc. to assess the current process and  
2 recommend suitable software. After issuing an RFI, TxDMV  
3 selected Microsoft Dynamics 365 Business Central for the  
4 A/R system.

5 A kickoff meeting took place on March 18, 2024.

6 However, delays occurred due to infrastructure issues  
7 with the Microsoft Azure. To resolve this, TxDMV is  
8 working with Rackspace, DIR's public cloud management  
9 vendor.

10 The project is set for two releases. The first  
11 is October 2025 for customers with outstanding balances,  
12 and the second is April 2026 for a fully integrated  
13 system.

14 This is a fantastic project. When I started  
15 here with DMV a number of years ago, all of our A/R  
16 processes were spread out throughout the entire agency.  
17 And I think, as Executive Director Avitia would attest, it  
18 was complex. And we're --

19 MR. AVITIA: Just a little, sir.

20 MR. PREWITT: -- and we are working to make  
21 that much more consolidated, much more easy to operate.

22 So thank you, Eric, and your staff for all the  
23 work you're doing on that.

24 Mr. Chairman, this concludes my Committee  
25 report for Projects and Operations.

1 MR. BACARISSE: Thank you, Member Prewitt.  
2 Glad to see you are busy. That's good. A lot happening.  
3 Agenda Item No. 8 -- are there any questions  
4 before we leave Agenda Item No. 7, Members?

5 (No response.)

6 MR. BACARISSE: You good? Okay. Agenda Item  
7 No. 8 is Legislative and Public Affairs Update. And our  
8 man at the Capitol, Keith Yawn, will brief us on all the  
9 exciting things happening.

10 Good morning, Mr. Yawn.

11 MR. YAWN: Good morning. Keith Yawn, Director  
12 of the Department's Government and Strategic  
13 Communications Division. I will be presenting Agenda Item  
14 8.A., a briefing on notable developments during the  
15 current legislative session.

16 I also want to note that our Chief Financial  
17 Officer, Glenna Bowman, will be presenting updates on the  
18 legislative budget process and the status of Department  
19 appropriations requests following my remarks. So I will  
20 not be commenting on those items.

21 The 89th Legislative Session began on  
22 January 14, and will meet until June 2. And as you  
23 probably have been following in the media, it has been  
24 very busy and interesting times. We had -- as you will  
25 recall from our preparation over the preceding year in



1 advance of the session, we had taken an approach of trying  
2 to have a policy-light session this year, after several  
3 sessions of very heavy legislation.

4 That's a subjective determination on how we  
5 succeeded, but I will say, it does not feel like this is a  
6 policy-light session. Legislators have filed more than  
7 10,000 pieces of legislation. And Department staff is  
8 tracking 575 bills with potential impact on our  
9 operations.

10 We've completed analysis of more than 290  
11 pieces of legislation and submitted fiscal impact  
12 estimates, as of this morning, of 63 bills. We are also  
13 working with numerous legislative offices to provide  
14 expert resource assistance on bill language development,  
15 explain current Department operations and legal  
16 structures, and provide resource testimony during  
17 committee hearings.

18 This work is accomplished through the efforts  
19 of staff across the Department. This work is in addition  
20 to their regular, daily activities, meeting the needs of  
21 our customers and stakeholders throughout the state. And  
22 I would like to take a moment to express my appreciation  
23 for the hard work of everyone who has aided in this work  
24 and will continue to do so over the next two months.

25 Of the total bills we're tracking, 10 implement

1 the recommendations adopted by the Board in August, 179  
2 require changes to core Motor Vehicle programs, 243 adjust  
3 Department administrative functions, such as open records,  
4 rulemaking and HR processes, and 19 authorize the issuance  
5 of new or redesigned specialty license plates like you  
6 considered this morning.

7 Three bills that include the Board's adopted  
8 recommendations have already been voted on in the Senate.

9 The first is Senate Bill 1365, which contains four  
10 recommendations related to the improvement of registration  
11 processes. The bill ensures statutory authority for two-  
12 year new vehicle registrations and the continued  
13 collection of the electric vehicle fee, which was  
14 unintentionally impacted by the passage of House Bill 3297  
15 last session.

16 It adds denials and revocations of vehicle  
17 registrations to a list of exceptions to contested case  
18 requirements to expediate enforcement of identified  
19 fraudulent vehicle activities, clarifies that the new  
20 dealer temporary plate fee is applied only once upon  
21 original issuance of the plate, and adds obtaining or  
22 using a fraudulent vehicle emissions inspection report to  
23 the list of reasons to deny dealers access to the license  
24 plate database. The bill was voted out of the Senate  
25 Transportation Committee without amendment on April 2.

1           Senate Bill 2243 provides authorization for the  
2 Board to define additional VIN inspection requirements by  
3 rule. This bill was out of Senate Transportation  
4 Committee without amendment also on April 2.

5           And the third is Senate Bill 2246, which would  
6 allow the use of auction sales receipts as proof of  
7 ownership for certain vehicle transfers. This bill was  
8 voted out of Senate Transportation Committee without  
9 amendment just yesterday.

10           Legislation to enact other Board  
11 recommendations will hopefully receive committee hearings  
12 in both chambers in the coming weeks. Just as you were  
13 beginning your meeting this morning, we received  
14 notification that Senate Bill 2705, which makes changes to  
15 farm -- clarifications to farm trailer registration  
16 requirements, was just set for a hearing next week.

17           Several bills that would require significant  
18 Department effort to implement or that make material  
19 changes to motor vehicle policy are also moving through  
20 the initial steps of the legislative process. Senate Bill  
21 1902 makes changes to the movement of license plates  
22 previously established by House Bill 718 last session.  
23 The changes would allow dealers more flexibility in the  
24 use or destruction of Texas plates already assigned to  
25 vehicles entering their inventory, instead of requiring

1 the plates to remain with the same vehicle.

2 The bill would also require the seller to  
3 remove plates -- their vehicle plates upon delivery to the  
4 buyer in a person-to-person sale. The bill was voted out  
5 of the Senate -- off the Senate floor without amendment on  
6 March 19. It is currently awaiting referral to a  
7 committee on the -- in the House.

8 Senate Bill 2425 establishes a regulatory  
9 process for TxDMV to issue autonomous vehicle owners an  
10 authorization to operate vehicles on Texas roads for  
11 commercial purposes. The bill sets application  
12 requirements to obtain an authorization and enforcement  
13 processes defining when and how authorization can be  
14 revoked. The bill was voted out of the Senate  
15 Transportation Committee without amendment on April 2.

16 And finally, House Bill 1607 allows a person to  
17 obtain authorization to not use the front license plate on  
18 their vehicle if the vehicle does not come equipped with a  
19 way to display a license plate without drilling into the  
20 front bumper. The bill would require the person  
21 registering the vehicle to pay a fee, obtain a special  
22 windshield insignia, and keep the front plate in the car  
23 to surrender to law enforcement upon request. The bill  
24 was voted out of the House Transportation Committee  
25 without amendment on March 27.

1           There are, of course, many other bills moving  
2 through the process that could require implementation work  
3 by the Department, but at this time, most are expected to  
4 have much more limited impacts on Department operations.

5           Mr. Chairman and Members, this concludes my  
6 process. I'd be happy to take any questions.

7           MR. BACARISSE: Thank you, Mr. Yawn.

8           Members, any questions for Keith on all that's  
9 happening?

10          MS. McRAE: I would just like to say, great  
11 job, Keith, as always.

12          MR. BACARISSE: Seeing none, I think you are  
13 safe, and we appreciate your work.

14          MALE VOICE: For a minute.

15          MR. BACARISSE: Yeah. For a minute. Right.  
16 Yeah. We appreciate your work, Keith. Thank you --

17          MR. YAWN: Thank you.

18          MR. BACARISSE: -- very much. Thank you.  
19 Great. All right. That is the regular session update.

20          And now, we'll have Glenna come and speak to us  
21 about the legislative appropriations update. So that's  
22 exciting as well.

23          Ms. Bowman, the floor is yours.

24          MS. BOWMAN: Good morning, Chairman Bacarisse,  
25 Members, Mr. Avitia. For the record, my name is Glenna

1 Bowman, CFO for TxDMV. This is an update on the  
2 legislative appropriations request for FY 2026 through  
3 '27.

4 It is a briefing item with no recommendation,  
5 but a lot of good news. As you know, in January 2025, the  
6 Texas House of Representatives and the Senate filed their  
7 respective versions of the State's budget bills. Both  
8 bills included identical levels of our requested baseline  
9 funding, as well as riders and rider divisions.

10 The bill also continued full funding for the  
11 Motor Vehicle Crime Prevention Authority. The introduced  
12 bills, as we expected, did not include the Department's  
13 two exceptional items, one, for the RTS modernization, and  
14 two, to enhance and improve our core services and customer  
15 support.

16 In March of this year, following a series of  
17 public hearings, the House and the Senate each filed a  
18 committee substitute for the budget bills. On the House  
19 side, the Appropriations Committee recommended funding for  
20 one of the Department's exceptional items in the General  
21 Appropriations Bill.

22 They recommended 50 new FTEs, which would  
23 enhance and improve our core services and customer support  
24 at our request in an amount of 6.4 million, 425 -- excuse  
25 me -- for '26-'27 from the TxDMV fund. They also included

1 \$125 million from general revenue for RTS modernization in  
2 House Bill 500, which is the Supplemental Appropriations  
3 Bill.

4 On the Senate side, the Finance Committee  
5 recommended funding for both of the Department's  
6 exceptional items in the General Appropriations Bill. RTS  
7 modernization was actually at the requested amount of  
8 175 million, and funded with general revenue. And the  
9 Senate did approve the 50 new FTEs and \$6.4 million to  
10 enhance and improve our core services and customer  
11 support.

12 The Senate and House versions will be  
13 reconciled this month and into May by a Joint Legislative  
14 Conference Committee that will present an amended General  
15 Appropriations Bill to both chambers. So we're in a good  
16 position right now.

17 And this concludes my formal remarks. I'm  
18 happy to answer any questions.

19 MR. BACARISSE: Members, any questions for Ms.  
20 Bowman on this item?

21 (No response.)

22 MR. BACARISSE: Seeing none, thank you. And  
23 why don't we just keep you up here and roll right into  
24 Agenda Item No. 9, which is Finance and Audit? So  
25 continue.

1 MS. BOWMAN: Wonderful.

2 MR. BACARISSE: Thank you.

3 MS. BOWMAN: Sounds great. For the record,  
4 Glenna Bowman, CFO, TxDMV. This is an overview of the  
5 Semi-Annual Report of Revenues and Expenditures, dated  
6 February 2025. It is a briefing item with no  
7 recommendation.

8 The report includes statistical and detailed  
9 information on revenues, the balance in Fund 10, the TxDMV  
10 Fund, actual expenditures and outstanding obligations.  
11 This begins on page 86 of your Board materials, if you  
12 want to look at the report.

13 So far this year, we have deposited \$1 billion  
14 in revenue to three funds, the General Revenue Fund, the  
15 State Highway Fund, and the TxDMV Fund, during those first  
16 six months. That is a 3.7 percent increase over the same  
17 period last year, FY '24.

18 The TxDMV Fund revenue deposits totaled  
19 92.6 million, and the adjusted balance in the Fund, as of  
20 February 28, is 123.4 million. Our TxDMV Fund actual  
21 expenditures total 94.9 million, with \$81.6 million in  
22 outstanding obligations as of the end of February.

23 General Revenue Fund actual expenditures total  
24 one million, and we also have 37.1 million in outstanding  
25 obligations as of the end of February. The General



1 Revenue Fund obligations are primarily for Motor Vehicle  
2 Crime Prevention Authority activities, and it's primarily  
3 grants that are being sent out to local governments.

4 This concludes my remarks. I'm happy to answer  
5 any questions.

6 MR. BACARISSE: Thank you.

7 Members, are there any questions for Ms. Bowman  
8 at this point?

9 (No response.)

10 MR. BACARISSE: Thank you for your good work.

11 MS. BOWMAN: Thank you.

12 MR. BACARISSE: Appreciate it.

13 Agenda Item 9.B is the Internal Audit Division  
14 Status Update. So Jason Gonzalez is here to give us that  
15 update.

16 Jason, good morning. Welcome.

17 MR. GONZALEZ: Good morning. Good morning,  
18 Chairman, Board Members, Executive Director Avitia.

19 For the record, I'm Jason Gonzalez, Director of  
20 the Internal Audit Division. Agenda Item 9.B. is a  
21 briefing item to provide you with information on the  
22 Internal Audit Division's activities. On page 98 of your  
23 Board materials, there is a brief summary of our current  
24 engagements.

25 The first engagement is the public information

1 request audit. The audit's objective is to evaluate the  
2 Department's processes used to receive, track and fill  
3 public information requests. The audit is currently in  
4 the planning stage. However, the project should move into  
5 fieldwork next week, and this audit should be completed in  
6 June 2025.

7 The second engagement is the Motor Carrier  
8 Licensing Advisory. The project's objectives are to  
9 evaluate the current Motor Carrier Credentialing System,  
10 or MCCS, their controls of that -- their systems controls,  
11 to perform a GAAP analysis between the MCCS System and the  
12 upcoming, next-generation credentialing system, and to  
13 identify a potential fraud risk in the credentialing  
14 process.

15 The project is currently in planning. However,  
16 we anticipate the project moving into fieldwork next week.

17 We also anticipate the advisory's completion in June  
18 2025.

19 The third engagement is the Information  
20 Technology Governance Audit. The preliminary objective is  
21 determine whether the Texas Department of Motor Vehicles'  
22 processes are designed and in place to achieve the five  
23 domains of IT governance. The domains include strategic  
24 alignment, value delivery, risk management, resource  
25 management, and performance management. This is an

1 outsourced engagement, and the kickoff meeting is  
2 scheduled for next week. We anticipate the completion of  
3 the audit in July 2025.

4 Finally, we've started our annual enterprise-  
5 wide risk assessment in preparation for the completion of  
6 the fiscal year 2026 Internal Audit Plan. We sent our  
7 first risk assessment surveys, and will be conducting  
8 meetings with all divisions over the next few months. We  
9 anticipate completion of this project by July 2025.

10 That concludes our internal engagements. We do  
11 have one external engagement. It's being performed by the  
12 Comptroller of Public Accounts.

13 The audit's objectives are to determine whether  
14 the Department procured contracts according to applicable  
15 state laws and Comptroller requirements, processed  
16 payments according to applicable state laws, Comptroller  
17 requirements and statewide automated system guidelines,  
18 and maintained appropriate documentation to support those  
19 payments, and properly record financial transactions and  
20 high risk assets. This audit is currently in fieldwork,  
21 and they're reviewing process transactions from  
22 September 1, 2023, through August 31, 2024.

23 Unfortunately, I don't have an estimated  
24 completion date. They've been in fieldwork, and we don't  
25 know when we'll get a report.

1           So this concludes my update. I'm happy to  
2 answer any questions you may have.

3           MR. BACARISSE: Thank you, Mr. Gonzalez.

4           Any questions for him? Member Graham?

5           MR. GRAHAM: Well, not technically a question.  
6 Because he's not going to tell you himself, I will --

7           MR. BACARISSE: Yes.

8           MR. GRAHAM: -- tell you that --

9           MR. BACARISSE: Please do.

10          MR. GRAHAM: -- for the first time in recent  
11 history, at least probably three or four years, the  
12 team -- the Audit team is full staffed.

13          MR. BACARISSE: Good job.

14          (Applause.)

15          MR. GONZALEZ: We have one opening --

16          MR. BACARISSE: Well, okay.

17          MR. GONZALEZ: But it's being posted, so we're  
18 really close. We're really close.

19          MR. GRAHAM: But we have an extra --

20          MR. GONZALEZ: We do. We have an intern right  
21 now, so head count, we are fully staffed. Yes, sir.

22          MR. GRAHAM: But let me say, he has -- this guy  
23 has worked really, really hard to get these positions  
24 filled. Not just filled, but filled with really good  
25 people. And we've had extensive conversations, how he's

1 done that. And as it's turned out, it's very secretive,  
2 propriety information possessed by him that I can't  
3 disclose. But I'll tell you it's --

4 MR. GONZALEZ: Off the record, we may be able  
5 to have conversations.

6 (General laughter.)

7 MR. GRAHAM: Off the record. That's right.

8 But he's worked really hard to get us in a much  
9 better position, which means it puts the agency -- the  
10 Audit team in a great position to continue to look at this  
11 agency and find ways of improvement and eliminate the  
12 potential for fraud, which is very important in this day.

13 So great work, Jason. Appreciate you.

14 MR. GONZALEZ: Thank you. I appreciate that.  
15 Thank you.

16 I'd also like to thank Cynthia and her team.  
17 Couldn't do it without them. So thanks.

18 MR. BACARISSE: Well, I will just pile on and  
19 say I appreciate your commitment to interns. You know, I  
20 had a very valuable internship opportunity when I was in  
21 college. And I appreciate your willingness to mentor and  
22 train the next generation.

23 MR. GONZALEZ: Thank you. Yeah. I couldn't do  
24 it without my team.

25 They grab the bull by the horns. Is that

1 correct?

2 MR. BACARISSE: Yeah.

3 MR. GONZALEZ: Yeah. They just -- they move  
4 right along. So I'd like to thank them.

5 MR. BACARISSE: Good staff. Thank you, Jason.

6

7 Any other questions for Mr. Gonzalez?

8 (No response.)

9 MR. BACARISSE: Good job.

10 MR. GONZALEZ: Thank you.

11 MR. BACARISSE: Yeah. Thank you.

12 Before we move to the next agenda item, I'd  
13 like to note that we do have a public comment listed as  
14 Agenda Item 12, but we're about to go into closed session  
15 in a little bit. So I wondered, if we may, if there any  
16 people that have signed up to speak, take them out of  
17 order at this point and do public comment, or --

18 MS. MORIATY: There are no public comments  
19 today, sir.

20 MR. BACARISSE: Okay. Well, that's great.

21 So in this situation, we will now take up  
22 Agenda Item No. 10, and we're going to go into closed  
23 session. It is now 10:57 a.m. on April 10, 2025. We'll  
24 go into closed session under Texas Government Code,  
25 Section 551.105 -- .071, 551.074, 551.076, 551.089.

1           For those of you in the audience, I anticipate  
2 being in closed session for approximately one hour. We'll  
3 reconvene in open session after that.

4           With that, we are now recessed from the public  
5 meeting. We're going to closed session.

6           (Whereupon, at 10:57 a.m., the meeting was  
7 recessed, to reconvene this same day, Thursday, April 10,  
8 2025, following conclusion of the closed session.)

9           MR. BACARISSE: It is now 11:55 a.m. and the  
10 Board of the TxDMV is now back in open session. We --  
11 excuse me -- had a great lunch. Thank you, Carrie.

12           No action items will be taken up from this  
13 closed session.

14           MR. GRAHAM: Move to adjourn.

15           MR. BACARISSE: Then we'll now to move to --

16           MS. McRAE: Second.

17           MR. BACARISSE: -- adjournment.

18           I think your -- Member Graham who moved, and  
19 seconded by Member McRae. Yeah.

20           MR. GRAHAM: I can't help it.

21           MR. BACARISSE: Yeah.

22           MR. GRAHAM: That was my let's get out  
23 of this --

24           MR. BACARISSE: Yeah. I'm writing down, as  
25 fast as I can.

1                   So all in favor, say aye.

2                   (A chorus of ayes.)

3                   MR. BACARISSE: Noes, nay?

4                   (No response.)

5                   MR. BACARISSE: It's unanimous. We are  
6 adjourned, 11:56.

7                   (Whereupon, the meeting concluded at 11:56  
8 a.m.)



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C E R T I F I C A T E

MEETING OF: TxDMV Board  
LOCATION: Austin, Texas  
DATE: April 10, 2025

I do hereby certify that the foregoing pages, numbers 1 through 97, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas Department of Motor Vehicles.

DATE: April 24, 2025

/s/Adrienne Evans-Stark  
(Transcriber)

On the Record Reporting  
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