



Licensed Operators – MV Non-Compliance Disciplinary Process

Audit

February 11, 2025



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Revision History

Effective Date of SOP: 3/27/2025	SOP Number: K.01
Functional Area Name: Audit	Division Name: Motor Vehicle
Last Review Date: 2/18/2025	Last Reviewer: Sara Brophy, Audit Manager
Next Review Date: 2/20/2026	Next Reviewer: Audit Manager
Executive Approval Date: 2/20/2025	Approved By: Tommy Foskin, Director of Internal Audit

Overview

These standard operating procedures (SOP) outline the process for licensed operators found to be non-compliant in an audit of their motor vehicle transactions. The procedures address how the audit department identifies errors, escalates serious cases, collects payments, and records outcomes.

Purpose

The purpose of this document is to standardize the audit process regarding licensed operators to ensure consistency and efficiency across auditors and transactions. Having a clear map of the process from document request to record entry will enable auditors to streamline communications and effectively reconcile errors.

Policy Statement

These SOPs apply to all audit processes involving licensed operator motor vehicle transactions, including both complete (sample) audits and basic void audits. They are most relevant for Service Oklahoma (SOK) motor vehicle (MV) transactional auditors, but field auditors, driver license (DL) auditors, SOK leadership, and the licensed operators themselves will also benefit from understanding the roles, decision points, and process flow.

Compliance

The most significant regulatory constraint on this process is the licensed operator's contract, which is developed by the SOK Partnerships team and dictates timeliness and documentation requirements. Auditors must also comply with all state statutes and federal regulations, the most important of which are Title 47 and Title 68 of the Oklahoma Statutes (see references). Auditors are encouraged to bookmark these statutes and use Command F to search them as needed while conducting audits.

Systems

The two key systems behind the audit procedures are Laserfiche and OneLink. Laserfiche is the software used to image hard copies of documents, and OneLink is the platform that Licensed Operators use to conduct transactions and Auditors use to reconcile errors.



Roles

List the roles and functions of anyone involved in the operations described within this document.

Role	Responsibilities
Transactional Auditor	Verifies documents have been imaged properly, conducts basic/complete audits and identifies voids/errors, writes and sends Complete Audit Report, writes and sends DJEs and Stop Flag Letters, processes debits and stop flags, writes and sends Final Notice, completes log sheet and summary sheet
Audit Supervisor	Assigns audits, reviews findings and letters, leads escalation as necessary
Central Processing Department	Images documents in Laserfiche
Licensed Operator	Mails in transaction documentation, requests documentation and payment from customer, communicates with Transactional Auditor and sends documents and receipt numbers as they come in
Customer	Sends documentation and payment as necessary



Procedures

Basic Void Audit

1. All Licensed Operators mail their original transaction documents to Service Oklahoma in batches semi-monthly.
2. The Central Processing Department prepares these documents as they come in and images them in Laserfiche.
3. The Transactional Auditor chooses up to five Licensed Operators from the Basics-Completes Log Sheet to audit at a time, moving through the list in sequential order by semi-monthly report period to ensure every Licensed Operator undergoes a basic void audit in every period. The Transactional Auditor records the Date Checked Out on the log sheet before beginning the basic void audit.
4. To begin the basic void audit, the Transactional Auditor verifies all supporting documents have been properly imaged. This includes a spot check for errors, such as a document cover sheet containing multiple vehicle documents behind it (piggybacking) or documents that have been imaged with overlapping content. Any identified errors are recorded in the Error Codes spreadsheet.
5. The Transactional Auditor reviews the semi-monthly report in OneLink to verify the information entered by the Licensed Operator during the transactions. In this Work Done Report, the Transactional Auditor checks for voided transactions and transactions re-run for a lesser amount, paying particular attention to any patterns in voids made by any Licensed Operator over time. For each void, the Transactional Auditor reviews the documentation in Laserfiche to determine if it is valid. The Transactional Auditor may need to contact the Licensed Operator to obtain additional information regarding the reason for a void.
6. If the Transactional Auditor encounters an invalid void, they may need to debit the Licensed Operator's ledger or put a stop on the customer's motor vehicle record. Typically, the Transactional Auditor debits the Licensed Operator's ledger when a transaction has been receipted for the original amount and then re-receipted for a lower amount, and the Transactional Auditor puts a stop on the customer's motor vehicle record when a transaction has only been receipted for the lower amount. In these situations, the Transactional Auditor completes the following steps in order:
 - a. Fills out a Debit Journal Entry (DJE) or Stop Flag Letter (*See Appendices D through G for examples and procedures for DJEs and Stop Flag Letters*)
 - b. Saves the DJE or Stop Flag Letter in the DJEs for Review or Stop Flags for Review shared folder
 - i. At this point, the void is reviewed by the Audit Supervisor or another Transactional Auditor, who notifies the original Transactional Auditor of any necessary changes and saves the DJE or Stop Flag Letter in the DJE-CJE Postings or Ready to Be Emailed shared folder
 - c. Makes any changes stipulated by the reviewer
 - d. Processes the Debit or Stop Flag in OneLink



- e. Sends the DJE or Stop Flag Letter to the Licensed Operator (DJE and Stop Flag) and the customer (Stop Flag only)
7. The Transactional Auditor records all voids on the Summary of Basics/Completes spreadsheet. The Transactional Auditor also goes back and records the Date Checked In on the Basic-Completes Log Sheet.

Complete Audit

1. The Audit Supervisor assigns the Transactional Auditor one or multiple Licensed Operators to audit at a time. Legally, the Audit Department must ensure that every Licensed Operator is audited once per year, but SOK aims to audit each Licensed Operator twice per year. The Transactional Auditor records the Date Checked Out on the Basics-Completes Log Sheet before beginning the complete audit.
2. The Transactional Auditor reviews the original documents in Laserfiche and compares them to the documentation entered by the Licensed Operator in OneLink at the time of the transaction. The Transactional Auditor follows this checklist: AUDITING.
3. If discrepancies are identified, the Transactional Auditor writes a Complete Audit Report in Word outlining the findings (see Appendix C for an example). The Transactional Auditor saves the Complete Audit Report in the shared folder for the corresponding semi-monthly report period, where it will remain until the Final Notice stage.
4. The Transactional Auditor records the findings from the Complete Audit Report on the Summary of Basics/Completes spreadsheet. The Transactional Auditor also goes back and records the Date Checked In on the Basic-Completes Log Sheet.
5. The Audit Supervisor or another Transactional Auditor reviews the Complete Audit Report. The reviewer:
 - a. Signs their initials and dates the report
 - b. Forwards items to the MV Corrections Department or MV Refunds Department as necessary
 - c. Sends any revisions back to the Transactional Auditor
 - i. If the findings warrant escalation – such as if there is a pattern of similar errors or the documentation is fraudulent – the Audit Supervisor investigates further and notifies SOK Leadership and the Legal Department. Serious cases may require an Operator Board hearing and/or collaboration with law enforcement.
6. Once the Transactional Auditor has updated the Complete Audit Report as necessary, the Transactional Auditor emails the report and any supporting documentation to the Licensed Operator.
7. The Licensed Operator has 30 days to resolve any discrepancies that were identified. The Transactional Auditor will reach out to the Licensed Operator during the 30 days to make sure they do not have any questions and to track if anything has been sent in for resolution. If the issue can be resolved by the Licensed Operator without involving the



customer, such as if the Licensed Operator made a procedural or system encoding error when entering the transaction, the Licensed Operator shares the findings with their team to minimize repeat errors. If customer documents or payment are required, the Licensed Operator sends a request to the customer.

8. If the customer submits documents or payment to the Licensed Operator within 30 days, the Licensed Operator forwards the documents or receipt numbers to the Transactional Auditor, who marks the items as resolved on the Complete Audit Report.
9. For any discrepancies left unresolved after 30 days, the Transactional Auditor:
 - a. Fills out a Final Notice Letter and a Debit Journal Entry (DJE) or Stop Flag Letter as necessary (*See Appendices D through G for examples and procedures for DJEs and Stop Flag Letters*)
 - b. Saves the letters in the Final Notices for Review, DJEs for Review, and Stop Flags for Review shared folders
 - i. At this point, the audit is reviewed by the Audit Supervisor or another Transactional Auditor, who notifies the original Transactional Auditor of any necessary changes and saves the letters in the Ready to Be Emailed shared folder
 - c. Makes any changes stipulated by the reviewer
 - d. Processes the Debit or Stop Flag in OneLink as necessary
 - e. Sends the Final Notice Letter and DJE or Stop Flag Letter to the Licensed Operator (and sends Stop Flag Letter to customer as necessary)
 - i. Note: If the customer ends up sending their payment after the 30-day window is up, the Transactional Auditor can credit the Licensed Operator's ledger. The Licensed Operator can also pay the debited amount at any time using an audit deposit.
10. The Transactional Auditor saves the Complete Audit Report in the LO INFORMATION FILE shared folder and updates the Summary of Basics/Completes spreadsheet as necessary.



References

Compliance

1. [Oklahoma Statutes Title 47](#)
2. [Oklahoma Statutes Title 68](#)

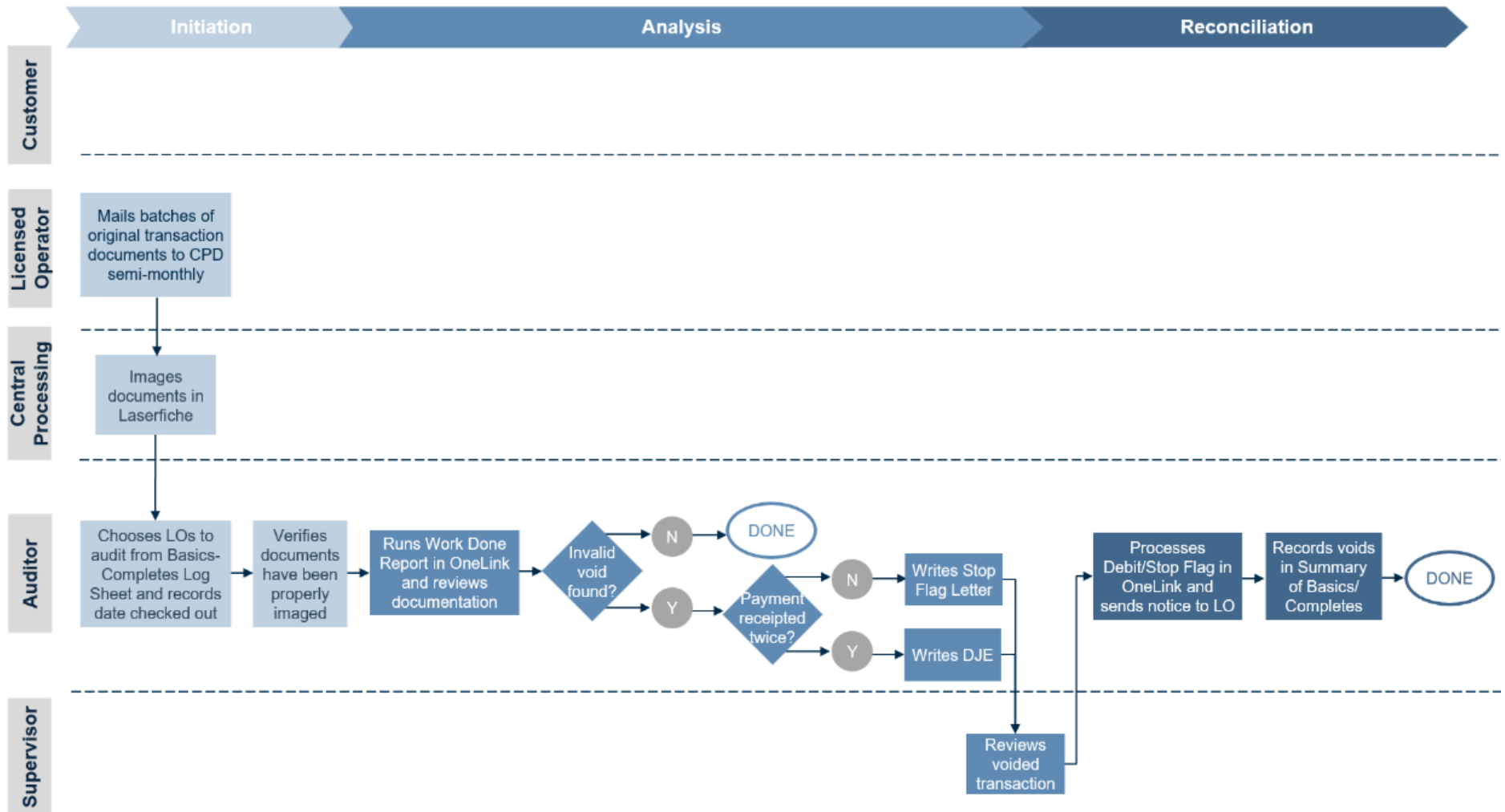
SOK Documentation

1. AUDITING
2. Basics-Completes log sheet
3. Error Codes
4. Summary of Basics and Completes

Appendix

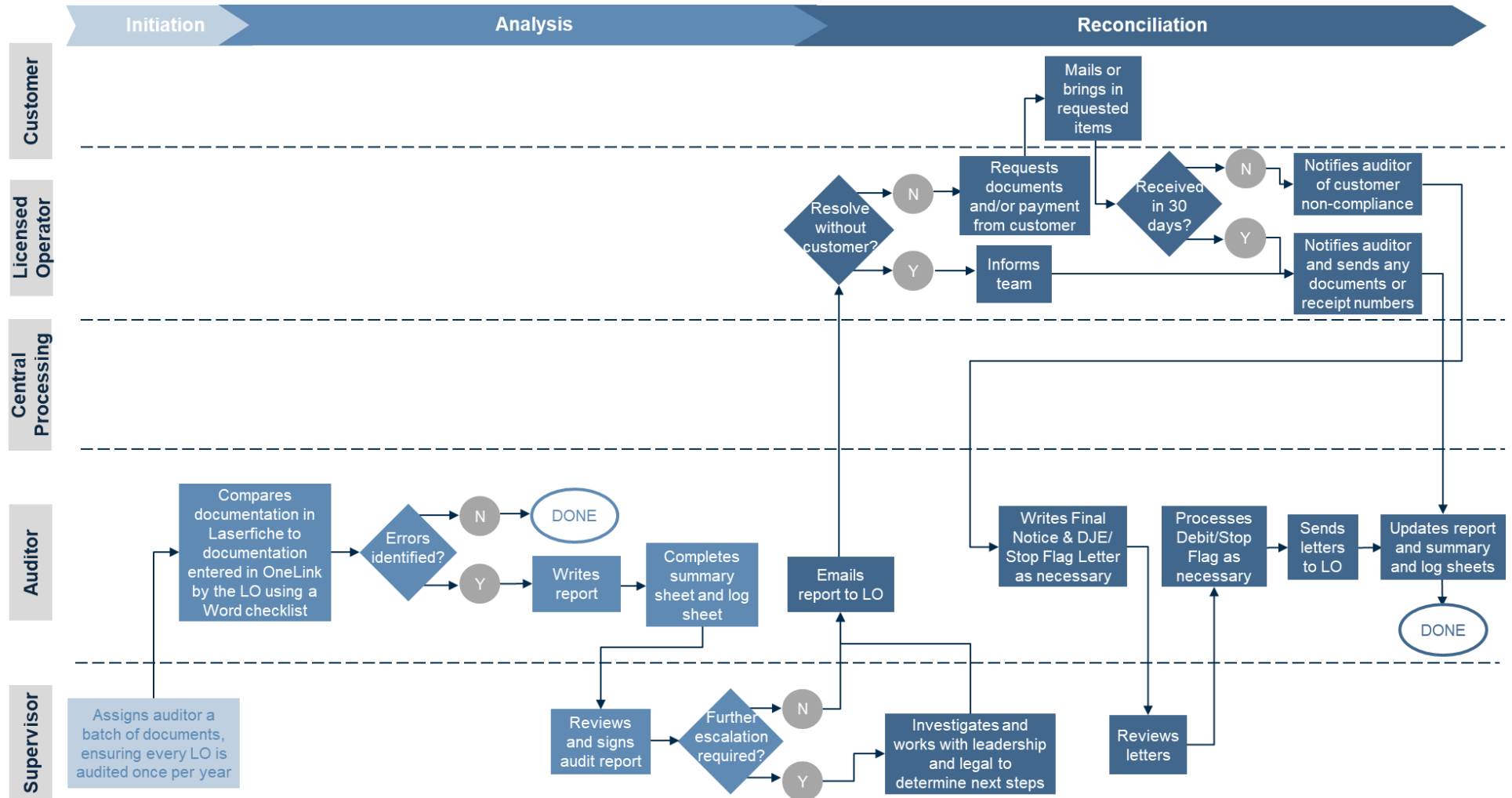
Appendix A: Basic Void Audit Process Map

Licensed Operator Motor Vehicle Non-Compliance *Basic Void* Audit Process



Appendix B: Complete Audit Process Map

Licensed Operator Motor Vehicle Non-Compliance *Complete* Audit Process





Appendix C: Example Complete Audit Report

OPERATOR NAME:

OPERATOR #:

Resolved 00/00/00

REPORT DATE:

Final Notice 00/00/00

AUDITOR:

DJE \$25.50; DJE \$102.80

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REGISTRATION/EXCISE TAX TRANSACTION ERROR(S)

Collect and submit all fees per vehicle on a single additional fee receipt. The item(s) listed below are being returned to your office for the following reason(s):

Purchase price documentation was not received or is incomplete. Submit a purchase contract, bill of sale, declaration of purchase price, or collect the additional amount due. **The bill of sale has been received**

		Operator Reported		Correct Fee		Askyd 10-2-23
Letter ID #	Title #	Tax	Penalty	Tax	Penalty	Add'l Due
L0000000000 Excise Tax	810010000000	\$1.00	0	\$296.00	0	\$295.00

No justification for Armed Forces rate. A US Armed Forces Affidavit (SOK 779) was either not received, or not properly completed. Either obtain and submit to this office a properly completed affidavit or collect the additional amount due.

Tire recycling fees are collected by Licensed Operators upon the initial registration of a motor vehicle in Oklahoma. Your office assessed a fee to a taxpayer that was not due.

		Operator Reported		Correct Fee		DJE 00/00/00
Letter ID #	Title #	Tax	Penalty	Tax	Penalty	Add'l Due
L0000000000 Registration Fee	810010000000	\$21.00	0	\$61.00	0	\$40.00
Tire Recycling Fees	""	\$14.50	0	0	0	(\$14.50)
Total Due						\$25.50



OPERATOR NAME:
OPERATOR #:
REPORT DATE:
AUDITOR:

Resolved 00/00/00
Final Notice 00/00/00
DJE \$25.50; DJE \$102.80

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Purchase price documentation was not received or is incomplete. Submit a purchase contract, bill of sale, declaration of purchase price, or collect the additional amount due.

Tire recycling fees are collected by Licensed Operators upon the initial registration of a motor vehicle in Oklahoma. Your office assessed a fee to a taxpayer that was not due.

		Operator Reported		Correct Fee		DJE 00/00/00
Letter ID #	Title #	Tax	Penalty	Tax	Penalty	Add'l Due
L0000000000	810010000000	\$25.00	\$2.50	\$131.00	\$13.10	\$116.60
Sales Tax + Penalty						
Sales Tax Interest	""	\$0.16	0	\$0.86	0	\$0.70
Tire Recycling Fees	""	\$14.50	0	0	0	(\$14.50)
Total Due						\$102.80

TITLE DOCUMENTATION ERROR(S)

Listed below is a summary of title error(s) discovered and the required action(s) to correct.

The odometer should not change when ownership of a vehicle is changed because of an involuntary divestiture (without owner involvement). Recall the title and return to MV Audit for correction.

Letter ID #: L0000000000

Title #: 810010000000 Stop Flag 00/00/00

Tire recycling fees are collected by motor license agents upon the initial registration of a motor vehicle in Oklahoma. Your office assessed a fee to numerous taxpayers that was not due. Review the Operating Manual for clarification on when tire recycling fees should be collected.

The assignment was brought forward incorrectly. Recall the title and return to MV Audit for correction.

Letter ID #: L0000000000

Title #: 810010000000 Stop Flag 00/00/00



OPERATOR NAME:

OPERATOR #:

REPORT DATE:

AUDITOR:

Resolved 00/00/00

Final Notice 00/00/00

DJE \$25.50; DJE \$102.80

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The Flood Damage Disclosure was not received or is incomplete. The Flood Damage Disclosure is required to be completed at the time of an original Oklahoma title application for any vehicle regardless of age including MSO's. Obtain and submit to this office a properly completed disclosure.

Letter ID #: L0000000000

Title #: 810010000000 **Stop Flag 00/00/00**

ADDITIONAL DOCUMENTATION REQUIRED

Additional documentation is required for completion of the following transactions:

Documentation was not presented to establish the purchase price, such as a "Declaration of Purchase Price", a bill of sale, or purchase contract. Obtain and provide to this office the required documentation.

Letter ID #: L0000000000

Title #: 810010000000 **Stop Flag 00/00/00**

Procedural notice: The Application for Oklahoma Title has a place to designate the date on which the vehicle entered Oklahoma. That date determines the month of expiration for the Oklahoma registration. This section needs to be completed to justify your determination of the month of expiration and to determine if any penalty is due.

ADDITIONAL PROCEDURAL ERROR(s)

The transaction notations below are for your information only. No action with the taxpayer is necessary.

The Flood Damage Disclosure was not received or is incomplete. The Flood Damage Disclosure is required to be completed at the time of an original Oklahoma title application for any vehicle regardless of age including MSO's.

Letter ID #: L0000000000

Title #: 810010000000



OPERATOR NAME:

OPERATOR #:

REPORT DATE:

AUDITOR:

Resolved 00/00/00
Final Notice 00/00/00
DJE \$25.50; DJE \$102.80

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The existence of an applicable current Oklahoma dealer license should be verified before processing any transaction involving an Oklahoma dealer during the title transaction. When multiple Oklahoma dealers are listed on a title assignment, be sure to encode all listed Oklahoma dealer numbers into the system with the assigned date in OneLink during the title transaction.

Letter ID #: L0000000000

Title #: 810010000000

Letter ID #: L0000000000

Title #: 810010000000

When a vehicle enters from another state with no change of ownership, no odometer brand is to be carried to the Oklahoma title. The odometer reading from the VIN inspection is entered with "none" as the odometer code. MV Audit has submitted the correction of error to resolve the issue.

The assignment date was entered to the system incorrectly. The assignment date entry is to reflect the date recorded on the documentation.

Tire recycling fees are collected by motor license agents upon the initial registration of a motor vehicle in Oklahoma. Your office assessed a fee to numerous taxpayers that was not due. Review the Operating Manual for clarification on when tire recycling fees should be collected.

Letter ID #: L0000000000

Title #: 810010000000

The vehicle has an active lien; the title should not have been transferred. Selecting Transaction Type "Per OTC" should be used when you have received, in writing, approval from SOK to process the title with an active lien.

The assignment date was entered to the system incorrectly. The assignment date entry is to reflect the date recorded on the documentation.

Letter ID #: L0000000000

Title #: 810010000000



OPERATOR NAME:

OPERATOR #:

REPORT DATE:

AUDITOR:

Resolved 00/00/00

Final Notice 00/00/00

DJE \$25.50; DJE \$102.80

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For the purpose of assessing taxes, the purchase price is to include the cost of the vehicle, including any equipment or product affixed to, or applied upon, the vehicle. It is not to include any fee that is related to a service provided by the seller or an outside party, such as an extended warranty.

The Flood Damage Disclosure was not received or is incomplete. The Flood Damage Disclosure is required to be completed at the time of an original Oklahoma title application for any vehicle regardless of age including MSO's.

Letter ID #: L0000000000

Title #: 810010000000

The purchase price entered on the system was different from the purchase price listed on the purchase price documentation.

Letter ID #: L0000000000

Title #: 810010000000

The Application for Oklahoma Title has a place to designate the date on which the vehicle entered Oklahoma. That date determines the month of expiration for the Oklahoma registration. This section needs to be completed to justify your determination of the month of expiration and to determine if any penalty is due.

When a vehicle enters from another state with no change of ownership, no odometer brand is to be carried to the Oklahoma title. The odometer reading from the VIN inspection is entered with "none" as the odometer code. MV Audit has submitted the correction of error to resolve the issue.

Letter ID #: L0000000000

Title #: 810010000000

Proper documentation was not presented to establish the purchase price. Effective November 1, 2019, for the purpose of collection of motor vehicle excise and sales tax for a used vehicle, proof of purchase contract or bill of sale is required. If neither document is available then a completed form 722-1, Declaration of Vehicle Purchase Price must be completed by the purchaser. Purchase price reflected on the ownership assignment will no longer be acceptable.

Letter ID #: L0000000000

Title #: 810010000000



OPERATOR NAME:
OPERATOR #:
REPORT DATE:
AUDITOR:

Resolved 00/00/00
Final Notice 00/00/00
DJE \$25.50; DJE \$102.80

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The Vehicle Inspection is incomplete. The odometer reading is to be inspected and entered on the form, regardless of the age of the vehicle.

Letter ID #: L0000000000

Title #: 810010000000

REFUND(S)

Errors were made in the following transactions resulting in the taxpayer being overcharged. A refund request has been initiated. No action is required on your part

The purchase price entered on the system was different from the purchase price listed on the purchase price documentation. The value of a rebate/discount wasn't deducted from the purchase price.

Letter ID #: L0000000000

Title #: 810010000000

Refund: \$93.01



Appendix D: Example DJE

Reviewer 00/00/00

Service Oklahoma
MOTOR VEHICLE OPERATIONS

LO DEBIT JOURNAL ENTRY

Operator #:

Operator Name:

Date:

Title/VIN	Transaction Type	Amount
810010000000	Registration Fee	\$25.50
		\$25.50

Detail
Charging operator for uncollected suspense items on the 00/00/00 report.

Ledger Reason: Uncollected suspense items

AUDITOR:

Posting Period: 00-00-00 IN
3:52 pm



Appendix E: Processing and Handling of DJE and CJE

Procedures in Processing and Handling of Debit (DJE) and Credit (CJE) Journal Entries due to an Audit

Creating DJE on unresolved suspense items

On unresolved suspense items with money due, Transactional Auditor would create and post a debit journal entry to a LO's ledger balance.

Create a DJE due to an Audit of an LO's report period. Save the DJE and the Final Notice in the Final Notice for review folder located I:\MVD\Audit\Audit Telework\Final Notice for review. Once reviewed the reviewer places the DJE's in the posting folder located I:\MVD\Audit\Audit Telework\DJE-CJE Postings.

Service Oklahoma
MOTOR VEHICLE OPERATIONS

LO DEBIT JOURNAL ENTRY

Operator: _____ Date: _____
Operator Name: _____

Title/VIN	Transaction Type	Amount
810010000000	Registration	\$36.00
810010000000	Registration	\$172.00
		\$208.00

Detail

Charging licensed operator for uncollected suspense items on the 00/00/00 report.

Ledger Reason: Uncollected Suspense Items.

AUDITOR: _____ Posting Period: _____



Creating DJE on a basic

On items found in basics when an LO has voided a payment, transactional auditor would create and post a debit journal entry to a LO's ledger balance.

Create a DJE due to the original payment being voided and re-receipted (by the same LO) at a lower amount without valid documentation supporting the change. Save the DJE and the supporting documentation in folder I:\MVD\Audit\Audit Telework\DJE's for review. Once reviewed the reviewer places the DJE's in the posting folder located I:\MVD\Audit\Audit Telework\DJE-CJE Postings.

Note: A separate DJE for each of the following is required because of an apportionment:

Sales Tax

Tire Recycling*

State Public Safety Fund Fee

Once Posted the qualified auditor who posted the DJE will place in the folder I:\MVD\Audit\Audit Telework\Ready to be emailed. The transactional auditor will then review and make sure that the DJE amount, and text was posted correctly and then save in the LO's folder located I:\MVD\Audit\LO INFORMATION FILE.

Each month, all adjustments to the LO's ledger are reviewed to ensure that the amounts, reviewers, and posters adhered to the appropriate procedures. Additionally, it is verified that the auditor who created the DJE was not the one who posted it.



Posting the DJE

The qualified auditor will adjust the LO's ledger balance in the current report period. The person posting will fill in the current report period date on the DJE.

Reviewer name 00/00/00

Service Oklahoma
MOTOR VEHICLE OPERATIONS

LO DEBIT JOURNAL ENTRY

Operator:

Operator Name:

Date:

Title/VIN	Transaction Type	Amount
810010000000	Excise Tax	\$77.00
		\$77.00

Detail
Debiting LO due to the original transaction being voided and re-run at an incorrect purchase price without valid supporting documents 00/00/00 rpt.

Ledger Reason: Other

AUDITOR:

The posting period will be the current period in which the entry is being posted. Exception: on a closed agent, the posting period will be the last period in which they were in office.

Posting Period: 00/00/00 IN
2:29 p.m.

Creating CJE

Credit is given if a debit was posted to the LO's ledger for that particular transaction and upon payment of the suspense item. LO may process transaction and provide payment receipt. If payment is sent by mail, the transactional auditor will process the transaction and receipt the amount.

Create a CJE. Place the CJE along with the proof of payment receipt, a copy of the DJE and a copy of date of the DJE posting, in the folder I:\MVD\Audit\Audit Telework\CJE's for review.



Once reviewed the reviewer places the CJE's in the posting folder located I:\MVD\Audit\Audit Telework\DJE-CJE Postings.

Once Posted the qualified auditor who posted the CJE will place in the folder I:\MVD\Audit\Audit Telework\Ready to be emailed. The transactional auditor will then review and make sure that the CJE amount, and text was posted correctly and then save in the LO's folder located I:\MVD\Audit\LO INFORMATION FILE.

Each month, all adjustments to the LO's ledger are reviewed to ensure that the amounts, reviewers, and posters adhered to the appropriate procedures. Additionally, it is verified that the auditor who created the CJE was not the one who posted it.

Posting the CJE

The qualified auditor will adjust the LO's ledger balance in the current report period. The person posting will fill in the current report period date on the CJE.

Reviewer name 00/00/00

Service Oklahoma
MOTOR VEHICLE OPERATIONS

LO CREDIT JOURNAL ENTRY

Operator #:
Operator Name:

Date:

Title/VIN	Transaction Type	Amount
810010000000	Registration	(\$36.00)
810010000000	Registration	(\$172.00)
		(\$208.00)

Detail

Crediting Licensed Operator for collected suspense items on the 00/00/00 rpt.

Ledger Reason: Suspense Item Previously Charged

Posting Period: 00/00/00 IN
2:32 p.m.

AUDITOR:

The posting period will be the current period in which the entry is being posted.
Exception:
On a closed agent, the posting period will be the last period in which they



Appendix F: Stop Flag Letter Example



Service Oklahoma
Motor Vehicle Division
Date

RECIPIENT NAME
Street Address,
City, State ZIP

Re: year, vehicle type
Title #:
VIN #:

Dear Taxpayer:

It has come to our attention that an error occurred when processing the Oklahoma title/registration on the vehicle mentioned above.

There was no justification for the farm truck registration that was processed. The agriculture exemption permit that was presented is expired. Either obtain and submit to this office a valid and current permit or a copy of a completed Schedule F from the most recent tax year Federal income tax return. If documentation cannot be obtained, it would be necessary to re-register the vehicle non-commercially and pay the additional fees due.

Contact _____ at 405-521-3101 or email me at _____. An administrative hold has been placed on this vehicle record, preventing any activity until this matter is resolved.

We apologize for any inconvenience regarding this matter.

Sincerely,

Service Oklahoma
Audit Section

Appendix G: Stop Flag Letter Procedure

Issuance of Stop Flag Letters

Stop flag letters are issued for items identified in a completed audit that the Licensed Operator (LO) has not resolved, either by obtaining the necessary documentation or by collecting additional fees owed. These letters may also be created following a complete or basic audit. Additionally, Licensed Operators may request a stop flag when they need assistance from a transactional auditor to collect fees, they are unable to recover from the customer.

Assistance in Collecting Rating Errors for Licensed Operators

If, after properly entering the transaction in the full, correct amount and contacting the customer for the additional taxes or fees due, the LO is still unable to collect the outstanding balance, the following steps must be taken:

1. Formal Customer Notification:

- The LO must send a formal letter to the customer explaining the error, detailing the amount paid versus the amount due, and providing a due date for payment.

2. Escalation to the Transactional Audit Section:

- If the customer refuses to pay or fails to respond by the due date, the LO may submit the case to the Transactional Audit Section for collection assistance.

Required Documentation for Collection Assistance:

To request assistance, the LO must submit the following documents:

1. A letter from the LO requesting a stop flag be placed on record.
2. A receipt showing the correct amount was paid by the agent.
3. A copy of the letter sent to the customer, demonstrating an attempt to collect the balance.
4. A counter ticket or voided receipt indicating the amount originally paid by the customer.

Audit Section Action:

- Upon receipt of the required documents, the Audit Section will place a **Stop Flag** on the record, preventing any further transactions by the customer until the issue is resolved.
- If a new owner applies for a title, the flag will be removed.
- The Transactional Audit Section will also send a written notice to the customer, explaining the error, detailing the amount due, and informing them of the stop flag placed on their vehicle record.



Stop Flag Letter Process

Letter Creation & Review

- The **transactional auditor** creates the stop flag letter as a Word document.
- There is no standardized template, as stop flag letters vary depending on the reason for issuance.
- Once completed, the letter is placed in the designated review folder:
 - **I:\MVD\Audit\Audit Telework\Stop Flag for Review**
- After review, the approved letter is moved to:
 - **I:\MVD\Audit\Audit Telework\Ready to be Emailed**

Final Steps & Record-Keeping

- The **transactional auditor** will:
 1. **Create an indicator** on the customer's vehicle ownership account to prevent further activity.
 2. **Mail the stop flag letter** to the customer.
 3. **Email a copy** of the letter to the Licensed Operator.
 4. **Image the stop flag letter** in **Laserfiche** for record-keeping.