

CHAPTER 9

WORKING WITH RMD

Section 9-1

INVESTIGATIONS

9-1.1 Authorization. Section 26 of the *Motor Vehicle Service and Repair Act* (MCL 257.1326) authorizes the Michigan Department of State to make investigations and gather evidence against persons who may have violated, or are about to violate, the Repair Act. Complaints filed by consumers are routinely handled by an investigator of the Department's Regulatory Monitoring Division (RMD).

9-1.2 Investigations. The Regulatory Monitoring Division receives thousands of consumer complaints every year. The department attempts to gather all of the facts in these cases. Repair facilities can almost always provide critical information to Business Regulation Section to assist in the investigation. When consumer complaints are filed, the department will contact the repair facility in one or more of the following ways:

- (a) **Mail.** The Regulatory Monitoring Division will send the repair facility a letter asking for a response to the consumer's complaint. The facility's side of the dispute is very important in resolving the problem. Providing the department with a written response, in the desired timeframe, will help assure that the dispute is handled as quickly and fairly as possible.
- (b) **Telephone Contact.** A Regulatory Monitoring Division investigator may telephone the repair facility to discuss the consumer's complaint. It is very important that the facility's side of the dispute be given. Providing the department with forthright answers and copies of transaction records will assist in a proper resolution of the complaint.

- (c) **Personal Contact.** Sometimes in-person, face-to-face visits to repair facilities are necessary to investigate certain complaints. Regulatory Monitoring Division investigators will properly identify themselves when contacting the facility. Section 17 of the *Motor Vehicle Service and Repair Act* (MCL 257.1317) permits the Regulatory Monitoring Division and other law enforcement officers to inspect repair facilities during normal business hours. All records pertaining to repair transactions performed within the past three years are subject to inspection.

NOTE: All records of warranties, contracts or agreements that extend beyond three years must be maintained until the warranty or contract period expires.

9-1.3 Timely and Favorable Responses. When a repair facility is contacted by the Regulatory Monitoring Division, a timely response will help ensure that the complaint is handled quickly. Delays in answering letters or telephone calls will only prolong the investigation. Also, failing to cooperate with a Regulatory Monitoring Division investigator can result in action being taken against the repair facility for hindering an investigation. Here are some helpful hints:

- (a) Reply promptly. This may avoid the need for further follow-up;
- (b) Include copies of all relevant paperwork with your response;
- (c) When responding to a letter, reply in writing. A written response may avoid the need for further contacts.

Section 9-2

VIOLATIONS

9-2.1 Restitution. There are times when the repair facility will agree that the consumer is indeed entitled to some sort of compensation. This can come in the form of giving money back, reworking a repair job, or extending a warranty period. Anytime a facility can provide this kind of restitution, it helps to bring the case to a close.

9-2.2 When Violations Are Alleged. In the course of an investigation or an inspection, the RMD investigator may determine that the repair facility failed to meet the requirements of the *Motor Vehicle Service and Repair Act*. The investigator may find it necessary to issue a Notice of Noncompliance (NNC) which is similar to a “ticket.” By issuing an NNC, the Regulatory Monitoring Division investigator believes there was enough evidence to justify issuing a violation notice. Of course, the cited repair facility can appeal the Notice of Noncompliance to higher levels in RMD. The appeal must be made in writing and must include the reason the facility believes the violation was inappropriately issued. Supporting documents must be attached. Appeals should be sent to:

Michigan Department of State
Regulatory Monitoring Division
P O Box 30046
Lansing, MI 48909-7546

9-2.3 Disciplinary Action. When an NNC has been issued, it is the responsibility of the Business Compliance and Regulation Division to determine what disciplinary action, if any, should be taken against the repair facility or mechanic.

- (a) Depending on the seriousness of the violations, the past record of the repair facility or mechanic, and the action taken to satisfactorily resolve the matter, disciplinary action may range from a warning letter to suspension or revocation of the repair facility’s registration or mechanic’s certification.
- (b) Typically, before action is taken to suspend or revoke a facility registration or mechanic certification, the repair facility or mechanic is given an informal opportunity to meet with Regulatory Monitoring Division representatives to discuss the matter and, hopefully, reach an agreeable conclusion.
- (c) Only in the most serious cases, or when an agreeable conclusion cannot be reached, is an administrative hearing held to determine whether it is appropriate to suspend or revoke the registration of the repair facility or the certification of the mechanic.

9-2.4 Violation Retention. Violations issued to a repair facility or mechanic by the Regulatory Monitoring Division are kept by the department indefinitely and are a matter of public record.

Section 9-3

AUDITS

The Regulatory Monitoring Division periodically conducts audits regarding the calculations used to establish repair facility registration renewal fees. In most cases, audits are done by mail.

- (a) The facility being audited is asked a number of questions concerning its gross annual revenue for one or more years.
- (b) The audit form and supporting documents must be sent to the Regulatory Monitoring Division.
- (c) Facilities that do not respond to an audit letter, or where additional information is needed, receive a personal visit from a Regulatory Monitoring Division representative. When it is determined that a repair facility provided false information concerning its reported gross annual revenue, disciplinary action is taken.