Oregon AG cracks down on out-of-state RV registrations

by Bend_Weekly_News_Sources

AG Hardy Myers secures plea from Tualatin man in motor vehicle registration of luxury motor coaches

On March 15, the Oregon Department of Justice (DOJ) culminated a complex, 18-month-long investigation of fraudulent registrations of out-of-state luxury motor coaches by charging Tualatin, Oregon resident Denise Harden with ten counts of Tampering with a Public Record (ORS 162.305) and civil violations of Oregonâ€™s Racketeer Influenced and Corrupt Organization law (ORICO), ORS 166.715 et seq.

Harden submitted a no contest plea and was sentenced pursuant to a stipulated agreement to 24-months of probation on ten counts of Tampering with Public Records. As part of the civil judgment, she is subject to a permanent injunction preventing her from engaging in similar enterprises in the future and agreed to pay a $100,000 money award, which, as part of the agreement, was due in full at the time of the sentencing on the criminal charges.

â€œThis settlement sends a clear message to those who choose to defraud states by falsely registering motor vehicles in Oregon and avoiding sales taxes and registration fees,â€• stated Attorney General Hardy Myers.

In August 2005, DOJ began investigating Harden regarding her involvement in a scheme to assist out-of-state businesses and individuals in avoiding sales tax and registration fees in their home states by fraudulently registering their motor vehicles, primarily luxury motor coaches, in Oregon. Ms. Harden allowed her personal residential address to be used to establish what appeared to be a legitimate address in-state.

The out-of-state vehicle owners took advantage of Oregonâ€™s relatively low registration fees by fraudulently registering their vehicles in Oregon by falsely listing the address of a residence in Oregon as the personâ€™s address, commonly known as a â€œmail drop,â€• on the application form. Also, because Oregon has no sales tax, if a person or business uses a â€œmail dropâ€• address that is located in Oregon when purchasing a motor vehicle, then that person or business may, depending on a particular stateâ€™s tax law, avoid paying any sales tax that the person or business would otherwise be required to pay in the state where the person or business is actually located.

Out-of-state businesses and individuals paid Denise Harden to help them establish a presence in Oregon by assisting them in creating a corporation in Oregon (or in registering an existing corporation in Oregon) and acting as the corporationâ€™s registered agent, and by allowing them to use her personal residence as the Oregon address of the corporation. The out-of-state businesses and corporations then purchased motor vehicles in the name of the corporation and used Ms. Hardenâ€™s address as the corporationâ€™s address. None of the corporations conducted business in Oregon other than to purchase and register motor vehicles. As mentioned, this allowed the out-of-state business and individuals to fraudulently avoid sales tax and registration fees in their home states. Ms. Harden was actively involved in all aspects of the scheme, which

included creating her own corporation, Registration Station, to assist in promoting the illicit enterprise. At the close of the stateâ€™s investigation, Denise Harden was the registered agent for approximately seventy corporations and had over three hundred motor vehicles registered at her address.

Fraudulent registration of out-of-state luxury coaches is not new to Oregon. In 1999, Oregon DOJ participated in securing the guilty plea of Guaranty RV, headquartered in Junction City, Oregon, for committing mail fraud relating to the illegal registration of luxury motor homes on behalf of out-of-state purchases. The company settled enforcement actions brought by the Oregon Department of Transportation, Division of Motor Vehicles.

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