



CATA Bulletin

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Loquercio named CATA's new chairman of the board

Bob Loquercio's fellow directors of the Chicago Automobile Trade Association on June 27 elected him chairman of the association for the next 12 months.

The new board chairman succeeds Terry D'Arcy, who becomes chairman of the 2007 Chicago Auto Show. Loquercio will serve as co-chairman of that show, Feb.

9-18, 2007.

Loquercio, president of Elgin Toyota-Scion, Chicago Northside Toyota-Scion, and Elgin Hyundai, leads a board of 18 directors.

Other elected board officers are Vice Chairman Mark Scarpelli (Raymond Chevrolet, Antioch), Treasurer John Phelan (Jack Phelan Chevrolet, Lyons;



Bob Loquercio



Terry D'Arcy

Jack Phelan Dodge-Isuzu-Suzuki, Berwyn), and Kevin Mize (O'Hare Honda-

Pontiac-Hyundai, Des Plaines). Jerry Cizek is president of the association.

U.S. Marshals Service hunts man who has worked at area dealerships

The U.S. Marshals Service is seeking a man who has worked at several area dealerships, each time stealing the demonstrator vehicle he was issued.

Thomas Eric Carter, 57, is described as 6 feet 3 inches tall, 215 pounds. Several of his aliases are similar to his name: Jean Eric Carter, Tomas Carter, Thomas Eric Eriksen.



Thomas Eric Carter

Deputy U.S. Marshal Keith Sykes said Carter usually works several weeks at a dealership, long enough to secure a couple paychecks and a demo, then he disap-

pears. All the vehicles eventually were recovered.

"He's (Carter) well-spoken and he speaks several languages, including Span-

SEE SUSPECT, PAGE 4

Chicago Auto Outlook publication now tracks used-vehicle sales data

Sales data on the market's used light vehicles debuts in a new publication, Chicago Auto Outlook's Used-Vehicle Market Edition, that is included with this newsletter.

The new quarterly brief is a sister publication to Chicago Auto Outlook, which focuses on new-vehicle sales activity. The area's overall used-vehicle market—including analysis of used-vehicle sales by age and market segment, and top selling used vehicle by age and in specific counties—is derived from sales activity at new- and used-car dealerships. Private transactions are not considered.

All of the CATA's publications—the biweekly CATA Bulletin, the monthly and quarterly Chicago Auto Outlook, and the quarterly Chicago Auto Outlook Used-Vehicle Market Edition—also are available online at the association's Web site: <http://cata.drivechicago.com>.

FTC launches nationwide ID theft education campaign

'AvoID Theft: Deter, Detect, Defend'

Identity theft now ranks as the top complaint filed with the Federal Trade Commission, with reportedly more than 20 million victims of this growing crime. This problem is increasingly a concern of business. A 2002 study by TransUnion, a large credit service company, found that theft of employer records was its leading cause.

The FTC in May announced a nationwide campaign—"AvoID Theft: Deter, Detect, Defend"—to educate individuals and businesses on ways to protect against this crime. The campaign offers a comprehensive kit to advocacy organizations and others. Businesses can take steps to minimize their risk of becoming a victim of identity theft.

- Deter – Take steps to reduce your risk of ID theft
- Detect – Monitor your personal information
- Defend – Act quickly when you suspect identity theft

The program coincides with issuance of an executive order signed by President Bush that created an Identity Theft Task Force, chaired by Attorney General Alberto R. Gonzales and co-chaired by FTC Chairman Deborah Platt Majoras. The Task Force will develop a strategic plan to enhance the effectiveness and efficiency of government efforts to deter, prevent, detect, investigate, and prosecute identity theft.

"Personal information is the new currency," said Majoras. "Consumers should protect their personal information as carefully as they protect their cash."

The FTC and the Justice Department sent "AvoID Theft: Deter, Detect, Defend" education kits to 4,500 victim advocates across the country, and the U.S. Social Security Administration is involving its field offices. Other partners include the National Association of Realtors, the American College Personnel Association—College Student Educators International, the National Association of Student Personnel Administrators, the National Crime Prevention Council,

the National Apartment Association, and America's Community Bankers.

The FTC maintains the central federal database for ID theft complaints. With experts in ID theft, privacy, and data security, its Division of Privacy and Identity Protection helps criminal law enforcement detect and prosecute identity thieves and provides victim assistance and consumer education. The agency also pursues law enforcement actions against companies that fail to provide reasonable security for sensitive customer data. Since 2001, the FTC has brought 13 such cases, and challenges organizations that make deceptive claims about privacy procedures and security.

Materials in the "AvoID Theft: Deter, Detect, Defend" education kit include a victim recovery guide, "Take Charge: Fighting Back Against Identity Theft. The kit also contains a training booklet, "Talking About Identity Theft: A How-To Guide," and a 10-minute video on identity theft. All materials are available in English and in Spanish. Through a toll-free number (1-877-IDTHEFT) and Web site (www.consumer.gov/idtheft), the FTC has distributed more than 22 million publications on identity theft.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint in English or Spanish (bilingual counselors are available to take complaints), or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at www.ftc.gov/ftc/complaint.htm.

The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to thousands of civil and criminal law enforcement agencies in the U.S. and abroad.

EPA fuel guides available online

Federal regulations require dealers to display an EPA/DOE Fuel Economy Guide for each new-vehicle model sold at a dealership. The guides must be available to the public, upon request, at no charge.

Dealers can download and print copies of the guides as necessary at www.fueleconomy.gov. Or, pre-printed copies can be ordered from the Environmental Protection Agency through the Web address above, or by calling 877-337-3463.

Guides for new model years also are distributed each year via e-mail, to dealers who exchange their e-mail addresses with fueleconomy@ornl.gov

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Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full résumé to the Editor.

Review past editions dating to 1998 or search by subject at <http://cata.drivechicago.com/>

Jerry H. Cizek III President, Publisher
Erik K. Higgins Editor, Director of Dealer Affairs

Cody Lusk named new AIADA president

Cody Lusk, a senior Capitol Hill aide and former Bush Administration official, was named this month as the new president of the American International Automobile Dealers Association. Lusk was the AIADA's legislative affairs director from 1995 to 2001.

"It is a tremendous opportunity for me to join the AIADA at this time of unprecedented growth in the international nameplate auto industry. The association's members are dedicated business leaders and a valuable part of our nation's economic infrastructure. I look forward to working to build a stronger voice for the AIADA in Washington and in the industry," said Lusk.

"Cody," said AIADA Chairman Don Beyer, "is a very capable leader and friend of our industry, with an extensive background in free trade and other international auto-related issues. He brings to the table a unique skill set and knowledge base encompassing this industry, the Administration and Capitol Hill. I am delighted he is returning to the AIADA team."

John Hawkins, AIADA chairman-elect, said, "I am confident Cody's experience and strong interpersonal skills will help guide the AIADA and assist its members in nurturing their far-reaching grassroots network."

Lusk most recently served as chief of staff to U.S. Rep. Sam Johnson (R-Texas). Earlier, Lusk was an appointee of the Bush Administration, serving under Commerce Secretary Don Evans. In that role, he served as liaison between Capitol Hill and the Evans on all international trade-related issues.

In his previous AIADA post, Lusk reached out to Congress and other federal agencies on behalf of international nameplate auto dealers. He also served earlier at the Republican National Committee and the National Republican Congressional Committee.

Creating a used-vehicle marketing plan

A used-vehicle sales operation cannot reach its potential without an effective marketing plan. Dorothy Miller Shore, whose workshop presentation at the NADA's 2006 convention was titled "Extreme Makeover: Revitalizing Your Used-Car Advertising," offers the following as a planned checklist:

1. **SET A BUDGET.** Whether you plan an advertising budget month-by-month (based on a percentage of your previous month's sales) or work on a fixed yearly budget, you must have a plan for wise use of your marketing resources. Stay within your budget and be sure to track your results. Knowing which media bring more customers to your showroom—and which ones don't—will help you refine your advertising approach in the future.

2. **SET YOUR MEDIA PLAN.** Which group or groups are you trying to reach? Which medium or combination of media will you use to reach them? Whatever your approach, be creative and make sure the money spent on advertising reaches your target audience as efficiently as possible. If that direct mail flyer didn't bring in as many 18-to-34-year-olds as expected, try something else.

3. **ESTABLISH A CREATIVE OUTLINE.** What promotions do you want to run during the next year? As part of your creative outline, you should try to include at least four major events each year. Spread them out—perhaps one each quarter—so each event can be fresh in your customers' minds.

4. **CREATE A TRADITION OF ANNUAL EVENTS.** As your dealership grows, you'll probably want to maintain several of your promotions as annual events. Customers in your selling area will come to recognize and expect your regular events, helping you to establish a stronger identity in your selling area.

5. **SET YOUR CALENDAR USING HIGH AND LOW SALES TRENDS.** Keep records of how well your events do so you'll know whether to repeat them. Also, note any factors—weather, remodeling, competing local events, and so forth—that affected your event for better or worse. A notation such as "We've had more customers at our sales events since we remodeled our showroom" will help jog your memory when you're planning for future events.

6. **PREPARE YOUR SALES MATERIALS AHEAD OF TIME.** Whatever media you plan to use, it's always a good idea to have themes, layouts and other details considered in advance.

7. **PLAN YOUR INVENTORY TO MATCH YOUR CALENDAR.** If you're going to have a major sales event, you'd better make sure you have vehicles that people want to see. Trade-ins will account for, perhaps, 30 percent to 60 percent of your event inventory. Auctions help you find the rest of what you'll need, and they'll also help you stock the best-selling, most popular vehicles in your selling area.

Recordings of the NADA convention workshops by Dorothy Miller Shore and others can be ordered online at www.iplaybackNADA.com.

Tax must be collected on goodwill repairs

Sometimes, even goodwill has a price.

Many dealers provide “goodwill” repair services on vehicles that are out of warranty. However, not all of those dealers are aware—according to recent Illinois Revenue Department audits—that the parts used in goodwill repairs are subject to the state’s 6.25 percent use tax, even though the customer does not pay for the repair.

In cases of warranty and recall repairs, sales tax is not charged on parts because the tax originally paid (when the vehicle was purchased) is deemed to cover all parts used in the repairs. Likewise, any parts used to repair or enhance new or used vehicles held in inventory are covered by the sales tax collected on the eventual sale of the vehicle.

But goodwill repairs are provided at no charge to the customer, at the option of dealer and/or the factory. Because no legal obligation exists to compel the dealer to provide the goodwill repair, the state revenue department considers the repair to be a gift.

Illinois use tax applies to parts purchased tax-free for resale which are used or consumed by the dealership in its use, including as a gift to a customer. The CATA board of directors is considering a challenge to the Revenue Department statute, in an attempt to exclude taxes on parts used in goodwill repairs.

Marketplace

For sale Eleven-plus acres in Aurora (divisible) on 75th Street near Ogden Avenue. Zoned B-2, with city incentives for dealerships. Dan Hiffman, 630-693-0655.

More states mull Car Buyer’s Bill of Rights

A growing number of states are adopting or proposing consumer rights laws aimed at protecting car buyers, according to The Wall Street Journal.

California’s “Car Buyer’s Bill of Rights” took effect July 1, and similar legislation is pending in Massachusetts. Other states where lawmakers have added or proposed consumer protection for car buyers in recent years include Louisiana, Alaska, New York and North Carolina, the newspaper reported.

One of the most common provisions in the new laws and bills are clearer definitions of what constitutes a “certified” pre-owned vehicle. Both California’s new law and the Massachusetts proposal give specific standards for a “certified” vehicle—for instance, the car must have an unaltered original odometer, and any previous substantial damage that impairs use and safety of the vehicle would disqualify it as a “certified” used car.

Suspect

CONTINUED FROM PAGE 1

ish,” said Sykes. “He’s really good at talking to people and selling cars. At a few places, he was the top seller.

“He also likes to spend time at work on computer dating services.”

Anyone with information on the whereabouts of Carter should contact Sykes at 312-617-1810.

Carter is a fugitive on federal charges of interstate trafficking of stolen vehicles. He also faces charges by Glendale Heights police for vehicle theft; and by Naperville police for assault and domestic battery.

Sykes said that Carter interviewed with a few area dealers who offered him a position, but Carter declined the offers upon learning he would not be issued a demo vehicle.

Congratulations!

Mike Schramm, proprietor of **Saturn of Schaumburg**, was named a winner of the 2006 Saturn Summit Award, for leading Saturn retailers “in commitment to the brand, customer enthusiasm, performance, partnership, and teamwork.”

Three area dealerships were named Select Buick Dealers, for their sales and customer satisfaction leadership: **Loren Buick** in Glenview, **Ray Buick** in Chicago, and **Schepel Buick** in Merrillville, Ind.

Seven area Lexus dealerships are among 160 nationwide named as this year’s Elite of Lexus Dealers. They are **Arlington Lexus in Palatine**, **Bredemann Lexus in Glenview**, **Lexus of Naperville**, **Lexus of Orland** (Orland Park), **McGrath Lexus of Chicago**, **McGrath Lexus of Westmont**, and **Woodfield Lexus** (Schaumburg).

Pontiac-GMC’s latest Leaders of Distinction, for excellence in service, customer satisfaction and sales, includes **Anthony Pontiac-GMC** (Gurnee), **Circle Pontiac-GMC** (Schererville, Ind.), **Community Motors** (Oak Forest), **D’Arcy GMC** (Joliet), **Gillespie Pontiac** (Chicago), **Mike Haggerty Pontiac-GMC** (Oak Lawn), **Schepel Pontiac-GMC** (Merrillville, Ind.), **Bill Sullivan Pontiac** (Arlington Heights), and **Village Pontiac-GMC** (Naperville).