



# CATA Bulletin

DRIVE **CHICAGO** .COM  
official Web site of CATA dealers

a biweekly newsletter

Volume 101, No. 1

January 5, 2004

## Amendments to Criminal Identification Act affect hiring process, applications

Recent amendments to the Illinois Criminal Identification Act affect most Illinois employers' use of criminal records and may require revisions to employment applications.

Effective Jan. 1, private and public employers may no longer consider a job applicant's or employee's expunged or sealed criminal record in employment matters including, hiring, certification, licensing, revocation of certification or licensure, or registration. In addition, employers may not ask if a job applicant had records expunged or sealed.

As of Jan. 1, any employment applications that ask

about criminal convictions *must specifically state* that the applicant is not obligated to disclose sealed or expunged records of conviction or arrest. The new law contains exceptions for law enforcement agencies, the Department of Corrections, State's Attorneys and other prosecutor offices.

Employers should review their employment applications and policies to make appropriate changes regarding the new law. CATA members with any questions about their employment application or practices should contact Ed Druck, or any other Franczek Sullivan attorney, at 312-986-0300.

*Help promote the show!*

## Materials coming for 2004, auto show

All members of the Chicago Automobile Trade Association in good standing will receive materials this week to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 6-15 at McCormick Place. It's your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

- 1 CATA-member 2004 window decal;
- 1 three-ring 2004 CATA Bulletin binder; and
- 1 form to photocopy to order free supplies of odometer statements, used-car buyer's

guides, used-car limited warranty statements, and emission control equipment statements.

Also, to promote the 2004 Chicago Auto Show, the shipment includes:

- 4 Chicago Auto Show easel cards;
- 2 Chicago Auto Show posters;
- 1 First Look for Charity poster;
- 2 CATA member tickets good for admission throughout the auto show;
- 50 Employee Appreciation Day admission tickets, good Feb. 8 and 11; and
- 200 tickets valid for half-

**SEE MATERIALS, PAGE 2**

## State's minimum wage increases in '04—and '05

Beginning Jan. 1, the minimum wage for workers in Illinois is \$5.50 an hour, an increase over the federal minimum of \$5.15 an hour. Illinois employers must honor the higher wage.

The state's minimum wage increases to \$6.50 an hour effective Jan. 1, 2005.

## Carfax officials get earful for shoddy reports

Officials of Carfax visited the CATA in December to sing about a new service offered by the vehicle history provider, but instead they heard a chorus of boos from association directors unhappy with Carfax.

Dealers charged that inaccuracies in the vehicle history reports peddled by Carfax harm the values of used cars sold by dealers and the trade-ins of their customers.

"You're not helping the front-end

customer, you're not helping the dealer, and you're really not helping the back-end customer," CATA Chairman Casey Wickstrom told Carfax Vice President Gerry Bayer.

Sloppy odometer readings at emissions control facilities can lead to rollback suspicions. Bayer assured the CATA directors that Carfax would not flag a vehicle if any information is found to be wrong. But, he conceded,

**SEE CARFAX, PAGE 3**

## Consumers turn sour on leases

*Steep decline, fed by rich incentives to buy, is good for automakers, bad for dealers*

The number of people leasing domestic vehicles has declined drastically over the last four years, a byproduct of zero percent financing and huge cash incentives to get people to buy new cars.

The trend has positive implications for Detroit's Big Three, which have fewer off-lease vehicles to try to sell at auctions. But it presents challenges as well. Sales could drop if traffic falls off in domestic-brand dealerships in the coming years as people pay off 5-year loans rather than turn in 3-year lease vehicles.

According to R.L. Polk Co., leasing of domestic and Asian models has dropped from more than 20 percent in 1999 to below 10 percent today. The leasing fall-off has been less dramatic for European brands—34 percent this year compared to 38 percent in 1999. European luxury brand buyers tend to prefer to turn in their vehicles more often, which makes leasing attractive.

The dramatic decline in leasing has the potential to change the markets for both new and used cars.

If consumers switch from 3-year leases to 5-year loans, they will be in dealerships less often. To further make new car purchases affordable, some automakers are even offering 6-year loans.

Leased vehicles also are used to supply dealers' growing certified pre-owned businesses. New-car dealers are increasingly using the lure of cheaper, factory-certified used cars to establish a relationship with consumers. Fewer cars coming off leases might diminish the stream of clean used vehicles that can be factory-certified.

The Polk data show a dramatic decline in domestic brand leases immediately after Sept. 11, 2001. In September 2001, leases accounted for 13.2 percent of domestic sales. One month later, leases fell to 8.3 percent.

## Materials

CONTINUED FROM PAGE 1

price admission any weekday of the show, to offer to customers.

Don't forget to **purchase** additional admission tickets to the auto show as well as any First Look for Charity tickets that may traditionally have been supplied by functioning dealer line groups and ad associations.

Any member in good standing who does not receive the UPS shipment by Jan. 16 should notify the CATA. The shipments are trackable, to help resolve problems.

## Chicago helps with income tax filings for low-wage earners

Chicago dealers should alert their employees about a city program that helps low-income Chicago residents fill out their tax forms, get tax credits and invest any refunds before they are spent.

The program is an effort to help more eligible taxpayers use the Earned Income Tax Credit, which refunds some or all of the federal income tax paid by low-income workers.

"Millions of dollars are going unclaimed because people don't know about it or how to claim it," said Sue Hales, a spokeswoman of the Internal Revenue Service.

The project provides free tax preparation at 28 sites in Chicago and 19 sites in the suburbs. Tax preparers also help taxpayers sign up for free bank accounts.

More than 900,000 Illinois families may be eligible for the tax credit but only about 750,000 take advantage of it, IRS and other officials said.

A single taxpayer earning up to \$12,230 is eligible. Families with two children may earn up to \$34,692 and still take advantage of the credit, which can be as high as \$4,204. The EITC awareness campaign also is informing employees about the Child Tax Credit. That credit now is worth up to \$1,000 per child and is available to more families, even those who do not owe income taxes.

Employers can help by notifying their employees about the EITC and the availability of credit by printing information on pay stubs and displaying posters, and by enlisting employees to serve as volunteer tax preparers at organizations that help low-income families files for the credit.

"We're trying to get more people involved," said Chicago Mayor Richard M. Daley. "It's a way to help families."

To participate, call Myer Blank, executive director of the Chicago Tax Assistance Center, at 312-744-1000. To find a free tax preparation center, call 311, Chicago's non-emergency information line. Outside Chicago, call 312-409-1555.

The CATA Bulletin is published by the  
**Chicago Automobile Trade Association**

18W200 Butterfield Road

Oakbrook Terrace, IL 60181-4810

630-495-CATA [2282] phone 630-495-2260 fax

The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

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 or search by topic at [www.cata.info/](http://www.cata.info/)

**Jerry H. Cizek III**

**Erik K. Higgins**

**President, Publisher**

**Editor, Director of Dealer Affairs**

## Workshops galore at NADA convention

The lineup of lively and instructive workshops slated at the 2004 NADA Convention and Exposition in Las Vegas could be the best yet, association officials said. Following is a preview of some of the training opportunities that await.

### Legal and Regulatory Update

With emphasis on issues affecting dealers today, the workshop examines amendments to the federal telemarketing rules, requirements of the new USA PATRIOT Act's Anti-Money Laundering Program, and the FTC Safeguarding Customer Information regulations. Presented by Paul Metrey of the NADA Legal Group.

### Working Effectively with the Media

Presenter Andrew Gilman of CommCore Consulting Group is a former reporter for The New York Times, USA Today and U.S. News and World Report. He will provide practical techniques for getting messages across to the media. Among them: eight components of a newsworthy story, key interview techniques, "lures" and "traps," interview do's and don'ts, interview tips, and dealing with stage fright.

### 15 Closes in 15 Minutes: The Easy Way to Triple Your Closing Ratio!

A dealer's salespeople send three of four buyers down the street because they lack the selling skills they must have to close the sale. Learn 15 of the best and most effective closes needed to increase unit sales, gross and CSI. Sean Gardner of Joe Verde Group will present.

### Recruiting and Retaining Technicians

Focusing on recruiting, training and retaining technicians, the session also will explain how the AYES program can help populate a dealer's service bays. Presenters are Robert Atwood of the NADA Dealer Academy and Henry Primeaux of Crown Bristow.

### The Politically Incorrect Leader

Leaders will be coached on the importance of choosing truth over harmony when dealing with personnel and reminded that their job is not to make people happy; it's to make them better. Once they get better, they get happy! Presenter is Dave Anderson of Dave Anderson's Learn to Lead.

### Technology-based Sales and Marketing: Are You Ready to Run with the Big Dogs?

James A. Ziegler of Supersystems, Inc., will focus on integrating today's technology applications into usable sales, sales management, marketing and follow-up procedures. He will discuss automated sales processes and database follow-up procedures as they relate to new business and CRM.

### Super Workshop

As commander of the \$1 billion warship USS Benfold, Capt. D. Michael Abrashoff proved that the progressive leadership can succeed at sea. His book, "It's Your Ship: Management Techniques from the Best Damn Ship in the Navy," became an instant best seller. By learning to see the ship through the eyes of his crew, Abrashoff discovered revolutionary ways to reverse excessive costs, low morale, high turnover and low performance.

His breakthrough, grassroots leadership approach is practical and has been tested by the Navy at war. Abrashoff will explain how to create an organization where every person takes ownership, where the focus is on purpose and performance, where leaders listen attentively, and where change and innovation are accepted and embraced.

## Carfax

CONTINUED FROM PAGE 1

an erroneous reading would not be removed from the report.

Art Kelly, CATA vice chairman, called Carfax report information "garbage."

"You must be held as an expert in the field," Kelly told Bayer. "Your inaccuracies cost us a lot of money in lawsuits. We aren't happy. We don't like you."

Carfax offers to reimburse dealers up to \$5,000 for damages caused by misinformation. Kelly said Carfax should indemnify dealers.

Bayer and Faisal Hasan of Carfax visited the CATA to promote the company's fast track data research, which aims to rectify any data issues in one business day.

"We want to expedite the sale," Bayer said. "If you know the information is wrong, tell us."

## Correction

A new law reported in the Dec. 22 edition of this newsletter indicated that a vehicle's security interest must be released in 10 days if payment is made using a money order.

The three forms of payment for which release is required in 10 days are cash, cashier's check or certified check.

For other payment forms, the security interest must be released within 21 days after receipt of payment.

## Car sales could boom in '04

The U.S. auto industry is poised for a record-setting rebound fueled by job growth, a manufacturing recovery and increased consumer buying power, General Motors top sales analyst predicts.

New-car and -truck sales should top 17 million units next year, exceeding this year's 16.9 million sales pace, said Paul Ballew, executive director of market and industry analysis for GM. It would be the first time in four years auto sales have

increased over the previous year.

And by "the (2006-07) time frame," U.S. buyers will snap up 18 million vehicles for the first time ever, Ballew predicted.

Other automakers and industry analysts also weighed in with bullish forecasts for next year.

If they're right, the industry is poised to emerge from a two-year malaise where automakers have relied on sky-high incentives to prevent dramatic sales losses.

## ATAE names new executive director

Jennifer Lindsey, the former director of field services for the Food Marketing Institute, has been named the next executive director of the Automotive Trade Association Executives.

She begins work for the ATAЕ on Jan. 15 and will attend the ATAЕ Winter Meeting in Las Vegas.

Lindsey previously was president of the Idaho Retailers Association, from 1996 to 2000. She also was executive director of the Idaho Lodging and Restaurant Association in Boise, Idaho.

In addition to managing the associations, Lindsey

served as their representative to state and federal policy makers, regulatory agencies, the media and the public.

Lindsey worked as manager of state government relations for the Food Marketing Institute, representing the FMI before policy makers from all 50 states.

She began her career in public affairs as director of government and public relations for the Connecticut Food Association.

Lindsey was recognized by the Idaho Business Review in 2000 as one of the state's "40 under 40" Outstanding Young Achievers.

## Nominations sought for AIADA award

Nominations for the 2004 Dealer of the Year Award, presented annually by the American International Automobile Dealers Association, are being accepted until Jan. 31.

The award recognizes international nameplate dealers for their contributions on business and community levels.

The AIADA honor previously was named the All-Star Dealer Award.

According to the AIADA, the award "calls attention to the fact that automobile retailers do more than sell and service vehicles.

In the cities and towns where their businesses are located, they are also outstanding community and business leaders, generously contributing their time and financial support to local

civic, youth and charitable organizations."

Candidates "not only operate a successful dealership, but also have excellent employee relations and maintains an outstanding rapport with customers. He or she is a true 'giver' in the highest sense of the word, contributing substantially to the betterment of the industry, the community and the country."

An independent panel of graduate business school deans and university professors will evaluate all nominations, and five winners and one national winner will be announced next May at the annual American International Automotive Congress.

To nominate a dealer for the award, call Kimberlee Berry at 1-800-GO-AIADA, or go to the association's Web site, [www.aiada.org/](http://www.aiada.org/)

## Scam alert

- A recurring invoice-resembling come-on is making the rounds from a company named DSL. The "statement" vaguely describes what is delivered for \$149.90, but more information cannot be gleaned from the lone telephone number on the page, a number that is not in service.

DSL, sporting a post office box in Irving, Texas, even threatens late fees on past-due accounts.

The come-on serves as a reminder that dealers should avoid payment until they can confirm any goods or services were ordered and delivered.

- The investment proposals by Africans with broken English have taken to the Internet, with a new round of enticements via e-mail for dealers to reap millions from an Angolan seeking political asylum.

Alex Bamako and his brother, upon reaching the Netherlands, have been unable to tap the \$25 million their father deposited in a bank in Angola.

Anyone who opens a non-resident bank account in Amsterdam to transfer their father's funds could reap 25 percent of the total.

The risk-free matter, Bamako said, must remain confidential.

The Federal Trade Commission requests that anyone who receives such proposals to forward the e-mail to the FTC's SPAM database at [uce@ftc.gov](mailto:uce@ftc.gov)