



# CATA Bulletin

DRIVE **CHICAGO** .COM  
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## *F&I alert!*

### Serial scammer bouncing checks at dealerships

Dealerships should be cautious about selling any vehicles to a 75-year-old woman from northwest suburban Algonquin who has harmed many area dealers by paying in full for cars using checks that bounce.

Elizabeth "Betty" Gooch awaits trial in McHenry County April 19 for writing a bad check over \$150, a felony, but she is free on bond.

Elgin police Detective Mike Turner said he is aware of 10 thefts committed by Gooch, but there probably are more. "A lot of (dealers) don't report it. They just want to get their cars back."

Turner said Gooch's "sweet old lady with a cane" manner belies her feloni-

ous penchant. Gooch and her daughter went on a similar spree three years ago, bouncing checks to obtain nine cars at seven dealerships from Crystal Lake to Elgin over a 12-month period.

Gooch typically does not attempt to buy a car on her first visit to a dealership. Rather, she apparently visits several times before writing a check for the full price of the vehicle. "Then she asks you to wait a week or two to deposit the check, saying she has to transfer funds to the account," said one dealership employee.

"She's in terrible health, but she fought detectives when they went to her house to get the cars back," Turner said.

### Dealers, Madigan meet over dealer financing

Dealers await a counterproposal from Illinois Attorney General Lisa Madigan, following discussions Feb. 27 on Madigan's push to compel dealers to reveal their margins on car loans.

Area dealers and representatives met with Madigan to negotiate a common ground in Madigan's pursuit of legislation requiring dealers to disclose any compensation they get when they secure financing for their customers.

Identical House and Senate bills, both which stalled, would force disclosure of the wholesale interest rate, or "buy rate," at which a finance company buys a sales contract from a dealership

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## Auto ads generally compliant, but some sticking points remain

Area dealers and their advertisers increasingly abide with the state's detailed automobile advertising regulations, said representatives of the Illinois attorney general's office and the Better Business Bureau, but some rules continue to be broken.

Patricia Kelly, chief of the attorney general's consumer protection division, and the BBB's Steve Bernas led discussion at a CATA seminar Thursday to re-examine the regulations and what to expect when ads run afoul.

Kelly, whose office issued fines against dealers ranging from \$1,000 to \$30,000 in 2003, said the regulations exist to prevent deception.

"If you toy with a rule to the point of deception, you violate the Consumer Fraud Act," she said.

Most complaints to Kelly's office concern a vehicle's price in an advertisement. "If you advertise a car at a price, that's the price you have to sell it at," she

said, referencing Section 475.310 of the advertising regulations. Salespeople should be aware of the advertised price, she said.

Another fault: pricing with limited rebates (Section 475.530). "The only rebate that can be deducted from the advertised price is one that everyone who visits the store can get," Kelly said. "Recent college graduate" and the like represent limited rebates.

Another common prob-

lem, said Kelly, is failure to disclose any "material terms" in the ad (Section 475.210). "Material terms" is a flexible standard reached after years of case law interpretation. What it means is, "It's important to the customer," Kelly said. "Your obligation is to help people understand what they're getting."

"Are you offering special financing or a rebate, and the customer has to choose one

SEE ADVERTISING, PAGE 3

## AIADA Automotive Congress May 18-19 in Washington, D.C.

International nameplate dealers will converge on Washington, D.C. May 18-19 for the American International Automobile Dealers Association's 27th annual Automotive Congress. Held each May in our nation's Capital, the Congress gathers dealers, dealership personnel and industry executives for the industry's largest legislative conference.

Registration is \$445 for AIADA-member dealers, and a spouse or guest is \$150 more. Additional dealership employees are \$250 each. To register, call 1-800-GO-AIADA. Activities are at the J.W. Marriott in Washington, D.C.

Attendees receive up-to-the-minute briefings on top issues, then meet with their congressional representatives.

"Meeting with your representatives in person, said AIADA Chairman Buzz Rodland, "is the only sure-fire way

of getting their attention. But to really make an impact, to make our perspectives a top policy consideration, we cannot act alone.

"The Automotive Congress puts us on the fast track to making our views known. We'll have the opportunity to let Congress know firsthand how trends like protectionism and policies like CAFE can adversely affect international auto dealers.

"As we gear up for Decision 2004, this year's Automotive Congress promises to be exceptional."

A May 18 reception also will honor the winner and finalists of the AIADA's 2004 Dealer of the Year Award, which recognizes dealers' exceptional community, customer and industry service.

## DEAC starts presidential election year on record fund-raising pace

Fund-raising by the Dealers Election Action Committee in 2004 was the strongest January-February start in the committee's 29-year history, raising more than \$254,000. DEAC, the political action committee and grassroots program of the National Automobile Dealers Association, exists to help qualified pro-dealer, pro-business candidates running for the U.S. House and Senate.

"Let's do our best to keep the momentum going," said DEAC Finance Chairman Jack Kain. "As you know, this is an important election year, and we need to do our best to raise the funds necessary to support the pro-business candidates as well as our incumbent 'friends' in Congress."

In Metropolitan Chicago, defined by the NADA as Cook, Lake and DuPage Counties, contributions by dealers to DEAC during January and February totaled \$1,215, about 20 percent below the amount raised in the first two months of 2003.

Contributions to DEAC amplify the new-vehicle dealers' voice in the ears of U.S. Congressmen. If dealers expect Congress to take the automobile industry seriously, then

they have to demonstrate to Congress that every dealer takes political responsibility to DEAC seriously.

Unlike many political action committees, 100 percent of all money collected by DEAC is contributed to pro-business, pro-dealer candidates who receive their support based on the written recommendations of dealers in their home state. Any fund-raising and administrative expenses to operate DEAC are paid for by the NADA.

DEAC contributions pay for themselves many times over in the form of better, fairer federal government. Think of DEAC as political insurance: Pay DEAC now, or pay 10 times that amount later in the form of higher taxes, excessive regulations and mandated employee benefits.

As a reminder, dealers with multiple lines should divide their contributions among the lines. Also, contributions to DEAC must be made with personal checks, not corporate checks.

To obtain either a DEAC contribution or permission form, and for information about DEAC's grass roots programs, call 800-252-6232, ext. 7.

## ASE testing dates May 4, 6, 11

Registration ends March 26 for Spring 2004 ASE certification testing, on May 4, 6 and 11. Consumers recognize that competent technicians are certified by the National Institute for Automotive Service Excellence.

ASE offers more than 40 certification tests in eight areas, including Automobile, Collision Repair and Refinish, Engine Machinist, Parts Specialist and Advanced Series.

To register, call ASE toll-free at 877-564-8661 or visit the institute's Web site at [www.asecert.org/](http://www.asecert.org/)

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

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## New binding arbitration program topic of seminar

Complete the flyer in this newsletter to attend a March 24 presentation on binding arbitration agreements under which customer-dealer disputes would be settled by arbiters of the Better Business Bureau of Chicago, not via lawsuits.

The new program, developed by the BBB and the CATA, covers disputes arising from the purchase or lease of a new or used vehicle, including disputes related to any service contracts for the vehicle.

Seminar attendees will learn to explain how a dealer's customers benefit when they agree to binding arbitration. Customers would not surrender any rights by signing the agreement—that is forbidden under the state's Consumer Fraud Act. Instead, they would be choosing an alternate dispute settlement method that would save them time and money versus a lawsuit.

Hearings by the BBB would cost \$900 or \$1,000, most of it paid for by the dealer.

## Save the date!

Circle June 14 on your calendar to play in the CATA annual golf outing. The event marks its third year at Cog Hill Golf in Country Club in Lemont. There will be a shotgun format on three courses and limited tee times on the fourth course, the renowned Dubsdread.

Sign-up forms will appear in this newsletter beginning in April. For sponsorship information, call the CATA's Sandi Potempa at 630-424-6065.

## Advertising

CONTINUED FROM PAGE 1

or the other? Then people must understand that they don't get both," she said.

A fourth hot-button issue: Free gifts (Section 475.590). Dealers may advertise or offer gifts related to a vehicle purchase or lease only if the gift is offered through a manufacturer's program or a manufacturer-authorized and approved dealer advertising association.

"Yes," said Kelly, "a dealer pays dues to his line association, but that's not a problem. If any other financing of the gift is going on, that is illegal."

Under the CATA-BBB Ad Review Program, begun in 1996, the BBB scans the marketplace for all automobile advertising. Bernas, the BBB-Chicago's director of operations, emphasized that the Internet is not immune from the state's ad regulations.

Bernas will notify an offending dealer about a noncompliant ad. Dealers

usually oblige; 98 percent of them correct their mistakes. "Most dealers want to do it right, but some push the envelope or make a mistake. We're here to help you," Bernas said.

If a dealer ignores Bernas's correspondence, or if the dealer commits the same offense three times, Bernas forwards the matter to the attorney general's office. Bernas issued 350 complaints to dealers in 2003, down from 550 complaints in 2002.

The BBB maintains records of all complaints for

three years, but they are internal documents; any complaints would not appear to consumers investigating a company. The BBB also tracks advertisers to determine if they commit the same offenses with several dealer clients. The advertiser and the dealer both are culpable for a noncompliant ad.

Bernas encouraged dealers to report any noncompliant ads of their competitors—even anonymously. "It's completely confidential. Otherwise, it wouldn't work," he said. To alert the BBB about a

noncompliant ad, call Bernas at 312-245-2514 or send an anonymous e-mail to [autoregs@chicago.bbb.org](mailto:autoregs@chicago.bbb.org)

"This program is emulated nationally," Bernas added. "Other BBB bureaus call me about it every week."

Dennis O'Keefe, the CATA's attorney, said dealers who receive a complaint letter from the attorney general's office must be proactive. "Get on the telephone and talk to them. If you don't respond, then you're probably looking at a lawsuit," said O'Keefe.

Bernas added that if dealership is sued by the attorney general over advertising infractions, the dealer would forfeit his BBB membership. "We will take the membership away from an organization if they don't follow the law," he said.

The complete Illinois automobile advertising appear on the Web sites of the BBB, at [www.chicago.bbb.org](http://www.chicago.bbb.org), under "BBB/CATA Automobile Ad review program" (sic); and of the CATA, at [www.cata.info](http://www.cata.info), under "Legal."



## Do-not-call list reviews accelerated

Telemarketers must download an updated Do-Not-Call list within one month of the date of any telemarketing call, beginning March 23. The previous rule ordered sellers to download a list every three months.

The amendment to the Telemarketing Sales Rule came as a provision of a bill signed by President Bush in January. The Federal Trade Commission must amend the rule by March 23, although it might set a later date for the amendment to take effect. The NADA urged the FTC to consider Jan. 1, 2005, as an effective date.

The NADA also urged the FTC to clarify that sellers who have registered and paid any appropriate fee to use the National Do-Not-Call Registry should be excused from the initial download and subsequent monthly require-

ments if they use the registry's single number lookup feature to screen their outgoing, nonexempt telephone calls.

Another change by the FTC and the Federal Communications Commission since the registry took effect last October: Telemarketers are prohibited from blocking their Caller ID information when calling. The phone number and, when enabled by telephone carriers, the business name must be transmitted.

Any telephone number displayed must be one that permits an individual to make a do-not-call request during regular business hours. In a news release, the FTC indicated that the use of calling equipment that cannot transmit Caller ID information "is no excuse for failure to transmit the required information."

## CATA to reimburse member dealers for F&I compliance video

The CATA board of directors voted to reimburse member dealers who buy "F&I: Absolute Integrity, 100% of the Time," a 45-minute video prepared by the NADA.

The video (VHS or CD) and 30-page study guide package helps train F&I managers in the successful conduct of their operations.

The presentation explores F&I's three-part mission—(1) assisting a customer's vehicle purchase, (2) offer-

ing value-added products and services a customer may want or need, and (3) enhancing the sale's overall profitability for the dealership.

Call the NADA at 800-252-6232 ext. 2 to purchase. Cost is \$169 plus \$10 shipping.

Dealers will be reimbursed \$169 after they submit to the CATA copies of the cancelled check and the shipment's packing slip, as proof of purchase.

## Congratulations!

Four local dealers were named to **Hyundai's** 2003 Board of Excellence, for superior performance in sales and customer satisfaction. **Roland Gartner** (Gartner Hyundai, Aurora) was named to the board's Silver Level. **Jerry Gleason** (Schaumburg Hyundai), **Terry Kunes** (Terry's Hyundai, Tinley Park) and **Steven Zazove** (Howard Hyundai, Elmhurst) were named to the board's President's Level.

Two area **Chrysler** dealerships are among the 2003 Mopar Masters, a DaimlerChrysler Corporation award to identify "the best of our best." Among the 81 Club Members are **River Front Chrysler-Jeep** in North Aurora, and **Larry Roesch Chrysler-Jeep** in Elmhurst.

**Nissan** awarded the 2004 Nissan Owner First Award of Excellence to 135 dealerships nationwide, including six locally:

- **Neil Gerald**, Gerald Nissan, Naperville
- **Neil Gerald**, Gerald Nissan of North Aurora
- **Bob Hawkinson**, Hawkinson Nissan, Matteson
- **Charles Piano Jr.**, Orland Park Nissan
- **Robert Rohrman**, Arlington Nissan of Buffalo Grove,
- **Jay Weinberger**, Continental Motors, Countryside

## Marketplace

**Office Manager/Comptroller** 17 years in auto industry. 3-time recipient of perfect financial statement in Honda's "Key to Excellence" program. Team player with department managers, emphasis on total dealership expense controls. Tina McGrath, 815-356-8185.

Résumé on file at the CATA.

## Financing

CONTINUED FROM PAGE 1

and the variable retail rate the store offers a customer.

The CATA supports disclosures similar to those endorsed by the NADA, which would tell consumers that a dealership makes a profit on financing and that interest rates are negotiable.

House Bill 4900 withered

in committee. Any negotiation agreed to by Madigan and dealers would be introduced in Senate Bill 3148.

Customers are free to secure financing from whatever source they wish. Dealers often can identify lenders for customers with poor credit ratings even after the customers could not. Dealers say they are entitled to a profit for their service.