Area suffering from catalytic converter theft spree

Thieves have stolen hundreds of catalytic converters from cars parked on dealership lots in the past couple months, sometimes in broad daylight. Police said the thefts do not point to a lone ring of thieves.

Reports show Honda, Chevrolet and Toyota dealers being victimized, and seven Hyundai dealers from Merrillville, Ind., to Schaumburg have been stung by the thieves, who likely are seeking palladium pellets in the converters. Palladium is a member of the platinum group of metals.

Schaumburg Police Det. Vito Rago said the few arrest reports he has seen of the spree paint the thieves as unrelated and often as drug addicts. “They’re bold, they’re in the pure daylight. It’s cut it and see you later,” he said.

Rago said police heightenened patrols of dealerships in light of the thefts, but dealers also must take steps to help, like installing security cameras.

An Oak Lawn dealer did capture on video thieves on his property, and Countryside police collected fingerprints at a dealership where 40 catalytic converters were stolen. One dealer reported 80 converters stolen.

The Schaumburg detective said an area task force has not been formed for agencies to share news and make connections, but that might change.

“People,” Rago said, “are going to get tired of taking these reports.”

Talks continue over state’s intent to tax dealer cash

Officials of the CATA continue negotiations with the Illinois Department of Revenue over the department’s intention to subject dealer cash to sales tax.

The two entities, along with the Illinois Automobile Dealers Association, met Oct. 17 for a second time on matter, but a resolution was not reached on extracting tax from certain rebates and dealer incentives.

The Illinois Appellate Court ruled in 2004 that the state can pursue taxes on all the money a dealer receives tied to a vehicle sale—from the purchaser and the manufacturer. Holdback would not be taxed.

The CATA and the IADA concede that proceeds tied to a single unit could be taxable but that a distinction should exclude the money a dealer receives for meeting the
Former asst. AG Kelly to help manage BBB-CATA ad review program

Patricia Kelly, who for 15 years was chief of the consumer protection division of the Illinois attorney general’s office, has been named new senior counsel for programs and services for the Better Business Bureau of Chicago and Northern Illinois.

Kelly is a veteran lawyer who whose work for the attorney general’s office helped create many of the standards that the BBB works to uphold. Among other duties, she will assist in the review of auto dealer advertisements for compliance with state law.

“I am very excited to have Patricia join our organization,” said Steve Bernas, BBB president and chief executive. “She will help enhance and improve the BBB’s mission in northern Illinois. Her wealth of knowledge and expertise will serve the business community and consumers well.”

Kelly said: “The mission of the BBB is to inculcate ethics in the marketplace through self-regulation, but we have to help (businesses) by making sure that they do meet the standards that we have set.

“My main objective is to improve the review of the standards, and the standards themselves, that govern the way business should advertise. I am pleased to be given the opportunity to work with businesses and consumers, to ensure honest, fair practices in the marketplace.”

Kelly also worked as staff counsel of the Illinois Retail Merchants Association.

DriveChicago to post job openings

The CATA’s Web portal, DriveChicago.com, soon could be a source for dealerships to fill vacancies.

As part of an imminent redesign, the portal will feature openings for job candidates to pursue.

Dealers who want to post an opening should send details to Mark Bilek, the CATA’s Internet director, at mbilek@drivechicago.com or at 630-495-2260 fax.

The CATA, in turn, will help attract job-seekers to the listings in advertising and in discussion on “Drive Chicago,” the radio show that airs at 8 a.m. Saturdays on WLS-AM 890.

The show is hosted by Paul Brian, the CATA’s communications director.

Fuel

CONTINUED FROM PAGE 1

and the UAW on the verge of getting an industry-changing labor agreement ratified, Mulally joining Ford from Boeing and Cerberus Capital Management buying Chrysler LLC. Cerberus then hired longtime Toyota executive Jim Press to help former Home Depot chief Bob Nardelli run Chrysler.

The industry’s problems today are not as severe as the difficulties it has overcome in the past, Willey said.

Wolley cited a 37 percent increase this year in U.S. sales of hybrid vehicles. The NADA supports a House bill (Hill-Terry) that would raise combined corporate average fuel economy standards for cars and light trucks to 32 to 35 mpg by 2022.

That proposal, Willey said, is “the only bill that calls for responsible CAFE reform.” A competing Senate bill would increase CAFE standards to a minimum 35 mpg average by 2020. Willey said the Senate bill “would pose a significant threat to vehicle choice, safety and affordability.”

Marketplace

GM/GSM Self-starter, motivator, 20 years’ experience. Manage all departments to ensure common focus. Took dealership from last place in CSI to 5-Star status. Increased Service & Parts departments’ gross profit by 36%, decreased parts obsolescence from 53% of total inventory to less than 5%. Daniel Praljak, 847-347-4306.


Warranty Administrator 13 years’ experience with Ford, Lincoln-Mercury lines, six years operating from home. Advanced warranty administration certified. Coordinate warranty 126 trend reports. ADP, UCS, Reynolds & Reynolds computer systems. Jill Dryfhout, 815-717-6307.

Résumés of all candidates on file at the CATA.
Confidential business relationship? Beware of scams

BY STEVE BERNAS, PRESIDENT AND CEO
BETTER BUSINESS BUREAU CHICAGO

The BBB would like to alert consumers and the business community of an increase of unsolicited and fraudulent letters being sent via postal mail, e-mail and fax. The solicitations generally are letters that may look formal, sound serious in tone, and appear lucrative in what they offer.

Two of such fraudulent letters consist of requests for a “Confidential Business Relationship” and what is dubbed the “next of kin” scenario. The letters open with the alleged writer introducing himself or herself as either a professional—a medical doctor, somebody serving in the military, or a foreign delegate, high official—or a politician. After a formal introduction, the writer will claim that he or she possesses a very large sum of money, but for whatever reason must transfer it to a different account, preferably to one in the United States. Some of the reasons being provided for this offer include high international taxes, civil or banking disputes, or unstable political situations which allegedly make it problematic for the sender to access his accounts.

A confidential business relationship is then proposed, with the aim of the sender to persuade the recipient to open up a bank account, become a “silent partner” and accept the funds as the sole beneficiary of the money. After receiving the alleged funds, via checks, money order, etc., the sender claims that the recipient will get a certain cut of the funds, usually anywhere 8 percent to 15 percent, and after keeping his share, he or she must forward the rest of the funds to an undisclosed third party.

Occasionally, the request will also ask that the recipient confidentially assume the role of “next of kin” or some specific identity, allegedly in order to secure the access and transfer of money. Some versions of this scenario include being asked to identify yourself as the next of kin of somebody who allegedly died in a foreign country and left behind a lot of money, or to obtain the funds from a stranger who was either widowed or is terminally ill and wants to pass on his or her funds to a trusted individual.

What’s the story with these offers and the letters behind them? They’re fraudulent. The originators of the letters most likely are from foreign countries, where they send out fake letters en masse, hoping somebody will read one and consider the “confidential business relationship” the real deal. What the offers are, however, are scam operations designed to dupe the recipients into opening accounts, accepting payment and depositing it under their name, and without knowing that the payments were fake—be it fraudulent checks with no money behind them-forward “the rest of the money” to a third party.

“The rest of the money” is the actual money that the victim has in his or her account, and in reality winds up sending it and being robbed of whatever is in his or her account to start with. To make matters worse, the victim’s financial institution will find out within days that the deposited check is fake and will hold the victim of the scam responsible for check fraud.

The BBB advises that consumers and businesses do not take these letters seriously and destroy them upon receipt, regardless who they are addressed to and how good-intentioned they sound. Scam artists can easily purchase information with peoples’ names and addresses, so it doesn’t mean much if they happen to get the recipient’s name and address correctly. To notify the BBB about the scam, please send a copy of it to info@chicago.bbb.org, & then shred it and forget it.

FTC ups window sticker checks

The Federal Trade Commission has increased field investigations to check for compliance with the Used Car Rule, which mandates prominent display of the used-car buyer’s guide in all vehicles “offered for sale.”

A vehicle is offered for sale when a dealer displays it for sale and allows customers to inspect it for the purpose of buying it, even if the vehicle is not prepared for delivery.

If transactions are conducted in Spanish, the buyer’s guide must be translated into Spanish. Also, the buyer must be given the original or a copy at the time of sale. Violators are subject to penalties up to $11,000 per violation.

Adverse-action ‘Webinar’ Oct. 23

Join NADA Regulatory Affairs director Paul Metrey and Hudson Cook attorney Anne Fortney (author of the NADA publication, “A Dealer Guide to Adverse Action Notices”) on Oct. 23 for a Web-based seminar on adverse-action notices.

At the seminar, 12-2 p.m., Fortney will provide an overview of adverse-action notice obligations, and participants will be able to obtain guidance on specific problems they’re encountering.

For more information and to register, go to https://www.nada.org/TrainingEvents/MESeinars.
Dealer cash

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retail objectives of a manufacturer’s program—for instance, earning several thousand dollars for selling a certain number of vehicles in a certain time-frame.

But a major obstacle to meet the revenue department proposal involves determining tax related to stair-step programs.

In the latest discussion, revenue department attorneys proposed the following examples of tax liability:

1. A dealer is to receive $500 for each specific model vehicle he sells in a specific time. Each $500 payment assigned to a specific vehicle, when paid separately or as part of any lump sum payment by the manufacturer, would be part of the taxable gross receipts from the sale of that vehicle.

2. A dealer is to receive $500 for each specific model vehicle he sells in a specific time, but only if he sells 10 or more vehicles in that time period. Also, the dealer would receive $100 for each vehicle if he sells 20 or more of those vehicles within the specified time. If the dealer sells 25 qualifying vehicles, the tax would be:
   • The $500 payments for vehicles 1-9 are attributable to the sale of each individual vehicle but are conditioned at the time of the sale upon subsequent sales. Those monies, therefore, are not subject to tax.
   • The $500 payments for vehicles 10-25 are subject to tax because they are attributable to the sale of each individual vehicle and are not conditioned at the time of sale upon any subsequent sales.
   • The $100 payments for vehicles 1-19 are attributable to the sale of each individual vehicle but are conditioned at the time of the sale upon subsequent sales. Those monies, therefore, are not subject to tax. But the $100 payments for vehicles 20-25 are subject to tax because they are attributable to the sale of each individual vehicle and are not conditioned at the time of the sale upon any additional sales.

3. A dealer is to receive $5,000 if he sells 25 or more units of a specific model in a specified time. The $5,000 is not subject to tax because it is not attributable to the sale of each individual vehicle and are not conditioned at the time of the sale upon any additional sales.

A new meeting date among the the CATA, the IADA and the Revenue Department has not been set.

Truncate credit card info on customer receipts

A growing number of class action lawsuits have been filed by customers who were provided credit and debit card receipts that do not properly truncate credit card information on the receipts.

According to the federal Fair and Accurate Credit Transaction Act, the electronically printed receipts must have shortened, or truncated, account information so that not more than the last five digits of the card are displayed. Also, the expiration date must be omitted.

Most electronic card machines have been modified for the account number change, but too many still display the card’s expiration date.

Important, the requirements apply only to electronically printed receipts, not to handwritten or imprinted receipts; and to receipts given to the customer at the point of sale, not to receipts retained by the dealer.

The law allows for harmed customers to seek damages and attorneys fees. Also, noncompliance could result in FTC enforcement action that could include assessing monetary penalties against a dealer.

Cambridge deflects unemployment claims

One hundred twenty-four CATA dealer members reported a combined 403 unemployment claims during the third quarter of 2007 to Cambridge Integrated Services Group, Inc., which formerly operated as the Martin Boyer Co. The company’s efforts saved those dealers a total of $1.1 million in benefits by contesting the claims.

Cambridge monitors any unemployment claims against its clients. The company counts about 230 CATA dealers among its clients.

Claims that can be protested and subsequently denied help minimize an employer’s unemployment tax rate. The rate can vary between 1.0 percent and 8.2 percent of each employee’s first $11,500 in earnings. The 2006 average unemployment tax rate among Illinois employers was 3.9 percent, or about $448.50 annually. That is nearly double the 2003 rate.

“The unemployment tax is really the only controllable tax, in that it’s experience-driven,” said Paul Schardt, senior vice president of Cambridge. An employee’s claim affects the employer’s tax rate for three years.

Client fees amount to $2.20 per employee, per fiscal quarter. For the fee, Cambridge monitors all unemployment claims, files any appeals, represents the client at any hearings, verifies the benefit charge statements and confirms the client’s unemployment tax rate.

The former Martin Boyer Co. has represented CATA members since 1979. To discuss retaining the company, call Schardt at 312-381-8241.

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