



# CATA Bulletin

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## Nov. 5 is election day

Employers, remember:  
All workers who want to vote must give advance notice, then be granted up to two unpaid hours off. Proof of voting can be requested.



## Scarpelli new Metro Chicago NADA director

Ray Scarpelli Sr., principal of Raymond Chevrolet-Oldsmobile in Antioch and Ray Chevrolet in Fox Lake, was elected this month to succeed Art Kelly as NADA director of metropolitan Chicago.

Scarpelli will serve the remaining two years of Kelly's three-year term, beginning Feb. 3, 2003. Kelly resigns the post then, after serving since 1996.

Scarpelli said he enters the position with an open mind, but he will work for change where it appears necessary.

"Hopefully, I can make the business a little bit better than when I found it. I will work hard for the dealers in this

area," he said.

He has served as president of both the local Chevrolet and Oldsmobile dealer associations, and as chairman of the Chicago Automobile Trade Association and the 1998 Chicago Auto Show.

Scarpelli also won the CATA's nomination for the 1998 Time Magazine Quality Dealer Award.

"I've tried to contribute and to do it for the betterment of the local dealer body," he said.

The NADA director of metropolitan Chicago represents dealers in Cook, Lake and DuPage Counties.

## As leaves fall, AYES 'shadows' come out

High school juniors enrolled in AYES-certified school curricula have embarked on job shadowing at area dealerships that participate in the Automotive Youth Educational Systems program, for the students to gauge their interest in pursuing careers as technicians.

Getting the chance to observe the technicians at work and the dealership workplace in action will help the students over the next several months decide whether to pursue employment under the AYES initiative beginning next June.

The AYES partnership includes 10 vehicle manufacturers, about 300 high schools nationwide, 1,450 students this

year, and dealers near those schools in a school-to-career partnership program to match student technicians with local dealers.

Eligible students typically embark on internships during the summer before their high school senior year. Under the guidance of a mentor (an experienced technician), the students develop their technical skills so that, upon graduation, they can begin full-time entry-level employment. All participating dealers agree to sponsor their new technicians in their manufacturer's training.

Manufacturers provide most of the funding for AYES. "This is basically a  
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### 2003 AYES students, nationwide by manufacturer

Manufacturer	No. of Dealers
Acura	6
BMW	37
DaimlerChrysler	176
Ford	251
General Motors	398
Honda	67
Independent	79
Mazda	15
Mercedes-Benz	18
Nissan	25
Other Manufacturers	50
Saturn	19
Subaru	10
Toyota/Lexus	132
Volkswagen/Audi	23
<b>Northern Illinois</b>	<b>27</b>

## What color is your parachu . . . er, car? High-tech silver is white hot

Silver remains the hottest automotive color today, but it is expected that shades of blue will become dominant over the next few years for vehicles in North America, according to BASF, a leading supplier of automotive coatings.

"Silver is the hot shade on a worldwide basis right now. This is certainly true in North America and to an even greater extent in Japan and especially Europe," said Jon Hall of BASF. "Silver has been a popular color in Europe and Japan over a longer period as a result of traditional consumer preferences in those regions.

"American consumers have typically liked more color options, but the popularity of silver in the North American market has been unmistakable, as anyone who has been to a new-car lot lately knows."

Hall said the preference for silver has been fueled by a tremendous interest in high technology and in machines. "There has been a fascination with the whole 'machine look,' and silver really fits that high-tech feel. That interest has also been reflected in many aspects of automotive design."

Over the next few years, Hall said consumers in North

America increasingly will turn to shades of blue as a representation of stability.

"The resurgence in blues really will be the important trend in North America. Our cars are an important expression of our personalities, but events in the world around us strongly influence our selection as well," he said.

"In North America," Hall said, "people have seen the collapse of the technology bubble, the shock of terrorist attacks and the onset of a recession. As a result of these events, tastes change. At some point soon, consumers will tire of so much silver and gray.

"People will want things that are beautiful and stimulating, with more color. Blue is desirable and it is one of the basic colors that people love and that can be made better."

Hall predicts a variety of blues such as metallic and with sparkle. But color trends typically are more conservative than fashion trends.

"Unlike clothes, a car isn't something you can hide in the back of your closet at the end of the season, which is why you don't see too many hot pinks out there," he said.

## Lisa Madigan vies for support from CATA board of directors

Illinois Attorney General candidate Lisa Madigan told CATA directors Oct. 16 that she is acquainted with issues faced by new-vehicle dealers. In fact, she said a Chicago Ford dealership serves as her polling place.

Madigan pledged to retain the Attorney General Auto Dealers Advisory Council, a forum for dealers to maintain a level playing field, primarily through regulated advertising practices. For example, the council advanced the ruling that dealers may not award gifts with a vehicle purchase if the purchase price is negotiated.

"You're on the front lines," she told the dealers. "Better for you to bring that information to us than for us to ferret it out of you."

The Democratic candidate discounted the mantra of her GOP opponent, Joe Birkett, who labels the attorney general as the state's top criminal prosecutor. "The attorney general spends less than 15 percent of the time on criminal prosecutions," she said. "A larger part of the job is civil work, on consumer fraud issues, on issues that affect small businesses like dealerships."

Madigan acknowledged that dealers are targets of frivolous lawsuits, and she pledged to work to eliminate them. "They're a waste of time and money," she said. "Car dealers in the Chicago area have proven that they have an interest in sitting down and talking before the points of a summons and litigation."

One CATA director remarked that dealers also can be victims of consumer fraud, by people who use identity theft to acquire a vehicle. Madigan said she would attempt to strengthen the office's communication with the secretary of state, to investigate such matters.

Birkett and Kristine O'Rourke Cohn, the Republican candidate for secretary of state, visited the CATA board's September monthly meeting.

### CATPAC

Have you contributed to the  
CATA's political action committee?

The CATA Bulletin is published by the  
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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 at <http://cata.drivechicago.com/>

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

## Dealers impacted by USA PATRIOT Act regulation

A final ruling by the Financial Crimes Enforcement Network (FinCEN) requires automobile dealers and other financial institutions to respond to information requests from FinCEN on behalf of federal law enforcement agencies that are investigating money-laundering or terrorist acts.

FinCEN, a bureau in the U.S. Treasury Department, issued the regulation to implement Section 314 of the USA PATRIOT Act, a law created in the wake of Sept. 11, 2001, and designed to strengthen law enforcement's ability to investigate and penalize money-laundering and disrupt terrorist financial networks. The regulation took effect Sept. 26, 2002.

The USA PATRIOT Act is an acronym for "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism."

There are two components to the regulation. The first part, which implements Section 314(a) and is summarized below, provides law enforcement with the means to quickly locate accounts and transactions associated with suspected terrorists and money launderers. The second part, which implements Section 314(b), is not summarized below. The regulation is primarily a reporting requirement. It does not require dealers to take (or decline to take) any action on accounts or transactions that are the subject of a FinCEN request.

### New Requirements

The FinCEN regulation imposes the following requirements on automobile dealers:

1. If requested by FinCEN, a dealership must expeditiously search its records to determine whether the dealer has maintained (or currently maintains) an account for or has engaged in a transaction with any individual, entity or organization identified by FinCEN. Unless FinCEN indicates otherwise in its information request, a dealer may limit

the search of its records to:

- a. any current account maintained for the named suspect;

- b. any account the dealer maintained for the suspect during the preceding 12 months; and

- c. any transaction conducted by (or on behalf of) the named suspect during the preceding 6 months that the dealer is required by law or regulation to record or that the dealer has, in fact, recorded and maintained electronically.

Note: If the dealer has questions about the scope or terms of the request, the dealer should contact the federal law enforcement agency that forwarded the information request to FinCEN. (The contact information of that agency will be included in the information request.) However, if the dealer finds a match, the dealer should send the report described below to FinCEN and not to the requesting federal law enforcement agency.

2. If the dealer identifies such an account or transaction, the dealer must send a report to FinCEN in the manner and time frame specified in the FinCEN request. Unless otherwise indicated in the request, the search requirement is retrospective and does not require dealers to report on future account opening activity or transactions.

Note: In the short term, FinCEN anticipates that its requests and the reports it receives will be accomplished through a combination of e-mail and fax transmissions. FinCEN may determine later to use a secure network to send requests and receive reports.

3. The report must contain:

- a. The name of the individual, entity or organization;

- b. The number of each such account, or in the case of a transaction, the date and type of each such transaction; and

- c. Any Social Security number, taxpayer identification number, passport number, birthday, address, or other similar identifying information pro-

vided by the individual, entity or organization when each such account was opened or each such transaction was conducted.

4. If a dealer receives an information request, it must designate one person at the dealership to be the point of contact regarding the request and any future requests which the dealership receives from FinCEN.

If requested by FinCEN, a dealer must provide FinCEN with the person's name, title, mailing address, e-mail address, telephone number and facsimile number in the manner specified by FinCEN. Dealers who have provided FinCEN with contact information must promptly notify FinCEN of any changes to that information.

5. Dealers are prohibited from using information provided by FinCEN for any purpose other than:

- a. Providing FinCEN with the required report;

- b. Determining whether to establish or maintain an account or engage in a transaction; or

- c. Assisting the dealer in complying with the anti-money laundering program requirements set forth in FinCEN regulations.

Note: As indicated above, FinCEN has not applied anti-money laundering program requirements to automobile dealers as of September 2002.

6. Dealers also are prohibited from disclosing to any person, other than FinCEN or the federal law enforcement agency for whom FinCEN is requesting information, the fact that FinCEN has requested or obtained such information (except as necessary to process the request).

7. Dealers must maintain adequate procedures to protect the security and confidentiality of requests from FinCEN for such information. This requirement is deemed satisfied if a dealer applies to this information the

## AYES

CONTINUED FROM PAGE 1

give-back to dealers. The cost is so phenomenally low for dealers. If they need technicians, they're foolish not to get into this," said Jim Butcher, AYES manager for Illinois.

Butcher, who began his position in July, meets with dealers, instructor associations and technician groups to bring everybody to the table. The headquarters of AYES are in Troy, Mich.;

## USA PATRIOT

CONTINUED FROM PAGE 3

same procedures it has established to comply with section 501 of the Gramm Leach Bliley Act (15 U.S.C. § 6801) and the Federal Trade Commission's implementing regulation (16 CFR Part 314) regarding the protection of nonpublic personal information.

Note: The FTC regulation referred to above is separate from the FTC's Financial Privacy regulation that dealers were required to fully comply with by July 1, 2001. The FTC regulation referred to above creates Standards for Safeguarding Customer Information that dealers must comply with by May 23, 2003. (To obtain the FTC standards, visit [www.ftc.gov/os/2002/05/safeguardfrn.pdf](http://www.ftc.gov/os/2002/05/safeguardfrn.pdf))

If a dealer has not yet created FTC-compliant safeguarding standards to apply to the FinCEN information requests, the dealer must nevertheless ensure it presently "maintain[s] adequate procedures to protect the security and confidentiality of requests from FinCEN."

Butcher keeps an office at the CATA in Oakbrook Terrace. The CATA helps fund his position.

Call Butcher at 630-424-6020 to discuss AYES and schedule a presentation.

Forecasts indicate the automotive industry in five years will face a shortage of 75,000 technicians who are qualified to work on emerging, sophisticated systems.

"Dealers are stealing each others technicians," Butcher said. "We're trying to stop that with AYES."

### Related Issues

The International Emergency Economic Powers Act (IEEPA) and Executive Order 13224 prohibit "any transaction or dealing" with named individuals or entities who have been linked to terrorism. An alphabetical master list of those named individuals and entities (also known as "blocked persons") is maintained by the Office of Foreign Asset Control (OFAC) at [www.treas.gov/ofac/t11sdn.pdf](http://www.treas.gov/ofac/t11sdn.pdf)

Dealers are prohibited from entering into transactions with, and must freeze the existing accounts of, any "blocked person" identified on the OFAC list. This requirement does not apply to persons who are not identified on the OFAC list.

- If dealers are unsure how to respond to a FinCEN request or to transactions initiated by "blocked persons" or others identified by FinCEN, they may request guidance from FinCEN by calling its toll-free Financial Institutions Hotline (1-866-556-3974).

The final regulation can be viewed in its entirety at [www.treas.gov/press/releases/docs/314finalrule.pdf](http://www.treas.gov/press/releases/docs/314finalrule.pdf)

## Congratulations!

**Fred Zajerick** of Flikkema Saab in Lansing has been named to the first class of Saab Unlimited Parters, an elite group of forward-thinking individuals who have demonstrated their commitment to the brand with exclusive Saab dealerships, state-of-the-art showrooms and superior customer service.

**Bettenhausen Motor Sales Inc.** in Tinley Park and **Schaumburg Jeep Inc.** joined 110 other Chrysler, Jeep and Dodge dealerships nationwide to tally in the top 5 percent of their sales group for their 12-month Fixed First Visit scores, measured in July 2002.

## Scam alert

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 a Nigerian bank account.

Apparently, a Turk who held an account with \$38.6 million at the bank died four years ago, and no relatives have come forward to claim the money. The bank manager, Frank Obi, offers to name any respondent to his e-mail as a next-of-kin and complete any necessary paperwork to empty the account.

The respondent would get 25 percent of the proceeds for the effort, and Obi would take 65 percent, plus another 10 percent for expenses.

The Federal Trade Commission requests that anyone who received the e-mail, with subject line "immediate assistance," forward the e-mail to the FTC's SPAM database at [uce@ftc.gov](mailto:uce@ftc.gov)

## Marketplace

**Controller** Over 15 years' dealership experience in reorganizing situations that demand planning, development, modification and restructuring systems and procedures. ADP, Renolds & Reynolds. Michael Bauschelt, 630-670-7470.

Résumé on file at the CATA.