

What Were They Thinking?

by : Gil Van Over

Yesterday I witnessed a woman (we will call her Flo, short for Flossy), make a couple of very questionable decisions.

As I am sitting at the gate ready to catch a flight, I happen to glance over at Flo. Within 30 feet of our gate is a restroom; within 10 feet of Flo is a trash can.

Flo ignores the restroom. She proceeds to bend over, head between knees and starts flossing her teeth, a personal hygiene act that is only second to clipping one's toe nails in public to being forbidden public acts. Nevertheless, a-flossing Flo went.

What was she thinking?

While this decision was egregious enough, Flo's second questionable decision absolutely should have her banned from the human race.

Instead of getting up and walking her used floss to the trash can less than 10 feet away from her; she instead stuffs it into the crack between two seats.

What was she thinking?

I would venture to bet that less than 1 percent of humans would even think of pulling off this doubly despicable publicly offensive questionable decision making.

Kinda like the less than 1 percent of dealership employees who make questionable decisions to commit criminal acts while employed at a dealership.

Here are some recent stories

"Twenty-eight-year-old Ashley will spend the next 33 months as the guest of taxpayers for her part in defrauding a credit union. She was convicted of "assisting" customers with poor credit by preparing false loan applications and documents concerning a buyer's income, expenses, employment, and living arrangements. Uninsured losses are estimated at \$500,000."

"A former title clerk admitted today that she stole more than \$66,000 from the auto dealership that employed her."

"An employee of a St. Louis-area car dealership has been sentenced to 15 months in prison and ordered to pay restitution for embezzling from her employer. She must pay restitution of \$219,000."

"A Schaumburg man was sentenced in Cook County Circuit Court this week to five years in prison for stealing the identity of a customer at the car dealership where he worked and using it to buy a new car."

What can a dealer do?

A forensic accountant I know constantly reminds me that it is not a matter of if an employee will steal from the dealer, but rather when. So how does a dealer protect his or her assets? Here are a few pointers from the learned:

1. Have strong internal controls over everything cash and asset related. These controls include a definitive segregation of duties, required vacations and cross training employees to do each other's jobs.

2. Take swift and decisive action if theft is uncovered. Terminate and prosecute offenders. If others perceive that you will be soft with long-term employees that steal from you, they may be tempted to do the same.
3. Believe in full employment of accountants, attorneys and consultants who can perform independent audits and reviews of your operations.

Gil Van Over is the president of gvo3 & Associates, a nationally recognized dealer compliance consulting firm. He assists dealers with F&I and sales compliance. gvo3 & Associates specializes in F&I, sales, Red Flags and Safeguards compliance and training. If you wish to discuss this article with the author, please e-mail him at jgvanover@Dealer-magazine.com.