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Sometimes we are our own worst enemy II

by Gil Van Over

This week's news flash was not published in the conventional news media, rather in one of the online forums I periodically lurk on.

The poster, a finance manager, was extremely upset over a scenario at his dealership that day. The conflict was with a sales manager and the topic was whether to deliver a potential straw purchase. The finance manager was adamant that the deal not go through while the sales manager was just as adamant that the car started moving down the road. The General Manager's response? Defer.

This scenario could just as easily been the finance manager holding up a deal because of other potential bank fraud, such as power booking, credit application fraud or manufactured stipulations.

The sales manager kept pushing the "we're all here to sell cars" theorem while the finance manager valiantly resisted with the "I ain't doing the perp walk for anyone" argument.

In the end, the General Manager did not take a position, but rather deferred to the dealer's attorney.

What should he have done?

I am not an attorney, but do occasionally get these type of phone calls, asking my opinion. With the assumption that the information relayed by the poster was the complete story, my recommendation would have been to let the lender know the complete story and if the lender decides to buy the deal, document the decision and move forward (if the lender knows about the transaction, it is not technically a straw). Otherwise, do not sell the car to a straw purchaser.

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