

# Dealer

## F&I Special Section

by *Gil Van Over*



## Surfing With The Sharks

As a military brat, I spent my formative years in such exotic locales as Witicha Falls, TX, Dayton, OH, Greenville, SC and Rantoul, IL. My family also languished in downtrodden pits such as Germany, Okinawa and Hawaii.

It was in Hawaii during my first three years in high school that I spent some time surfing. Now, admittedly I could only hang two while some of my buddies could hang ten. I still enjoyed the action. One of my Hawaiian buddies had a favorite saying he claims he heard from his grandfather, a good friend of King Kamehameha. His grandfather was fond of saying, "In order to be a great surfer, surf with the sharks." His simple rationale was that it was easier to focus on staying on the board if the alternative was fighting off the man-eating sharks.

Why the digression into surfing? Because today's mainlanders conjure up a different vision of surfing: surfing the web. I did some web surfing a few nights while confined to my hotel room and came up with a few of the hundreds of web sites the sharks have posted to continue the attack against auto dealers.

### **Plaintiff's attorneys -[www.Carlawyer.com](http://www.Carlawyer.com)**

This web site blares the headline "You may have been cheated and not know it call today: 888.Sue4Car." Sponsored by a plaintiff's attorney in Northern California, this site continues to add dried palm leaves to the beach bonfire by asking a number of leading questions that would have any reasonable person thinking "Humm."

Furthermore, directly from the web site: "Carlawyer.com exists with the sole purpose of assisting individual consumers in their fight for justice against car dealers. We operate under the general premise that our clients do not have money to pay large retainers, pay monthly legal fees and costs, or pay for experts. We fund the entire lawsuit ourselves." Care to guess how much these "reasonable" attorneys' fees will be?

There are numerous other sites sponsored by the Dark Side from Maui to Maine, from Cuba to Canada. Check out:

- [www.auto-dealer-fraud-ga.com](http://www.auto-dealer-fraud-ga.com) (also with offices in Alabama and Florida)
- [www.lemon-buy-back.com/AutoDealerFraud](http://www.lemon-buy-back.com/AutoDealerFraud)
- [www.consumerlaw.com](http://www.consumerlaw.com)
- [www.usalawyers.net](http://www.usalawyers.net)

**Attorney organizations - [www.consumerlaw.org](http://www.consumerlaw.org)**

This is the web site for the National Consumer Law Center, Inc. Before you visit this web site, understand what this group is. Directly from its site: "Whether you want a shortcut in analyzing a client's TILA disclosure statement, help identifying the best consumer claims to pursue, or assistance drafting a complaint or appellate brief, NCLC's experts are ready to help."

This attorney group of over 1,000 attorneys convened in Boston the first weekend in November to share best practices and strategies on suing companies that extend credit, including car dealers. The Dark Side participants to this "Consumer Rights Litigation Conference" could select from workshops that included:

- 50 Nifty Auto Fraud Practice Tips from the Experts
- How to Successfully Sue Dealers for Marking Up Finance Charges
- How Statutory Claims Can Revolutionize Your Auto Cases
- Advanced Strategies on Busting Arbitration Clauses
- Effective Fair Credit Reporting Act Litigation
- ABC's: Fair Credit Reporting Act
- ABC's: Automobile Fraud
- ABC's: Definitions of Deception - UDAP and FDCPA

Another attorney organization is the National Association of Consumer Advocates ([www.naca.net](http://www.naca.net)). "NACA is a nationwide association of more than 1,000 attorneys and consumer advocates who have a wide range of experience curbing abusive and predatory business practices and promoting justice for consumers. NACA is an organization with a shared philosophy and a distinct point of view. We believe that consumers, particularly those of modest means, are inadequately protected from unscrupulous business practices in connection with the extension of credit."

**Regulators -[www.denverda.org](http://www.denverda.org)**

There are numerous regulator sites from the federal to the state to the city level. The Denver District Attorney weighs in with its own web site looking for all types of alleged fraud against consumers. Disturbingly, Auto Dealer Fraud is one of the crimes listed under the Economic Crimes link, along with Foreign Lottery Scams, Family Exploitation, Forgery, Investment Fraud and Embezzlement.

Once you follow the link to the Auto Dealer Fraud section, the DA warns, "Fraud committed by car dealers can be such a hidden problem that even those consumers who do their research have reported being taken for hundreds, sometimes thousands, of dollars. Unscrupulous dealers scam car buyers by adding service warranties or products after the customer has left, or being manipulated into purchasing "extras" that may already come with the vehicle.

**Special interest groups -[www.autodealerscam.org](http://www.autodealerscam.org)**

This is Public Citizen's site. This is the organization that published (with the help of Duane Overholt) the now famous report Rip-Off Nation: Auto Dealer's Swindling of America. This report became the basis of Lea Thompson's expose on NBC's Dateline in November 2003 on which an undercover camera captured the image of an F&I manager coaching a buyer to "Change this zero to an eight" so that her income would be sufficient to obtain a credit approval.

On this site, you are encouraged to complete a 44-question survey that asks such questions as:

- If outside financing, have you ever seen the paperwork filed on your behalf with the lending institution?

- If you paid for the vehicle with a loan, was the number of payments or interest rate on the purchase altered without your consent?
- Have you noticed any undisclosed charges, services or products on your contracts?
- Were there any services or products offered to you "free of charge?"
- Was "etch" (etching of a number on the window that identifies the vehicle) added to your contract?
- Were you asked to sign paperwork that was blank or largely blank?

Care to guess whom the survey results are fed to?

### **On the fringe - www.Stopautofraud.com**

This is one of Duane Overholt's web sites. You remember Duane, don't you? He is the one who admitted to cheating customers out of millions of dollars during his time as a dealership manager, then turned whistleblower. Now, because of a conversion to Christianity, he is on the side of the consumers aggressively attacking car dealers. Once you get past his typographical errors (Military is misspelled Miltiary) and empty claims, the rest of his story remains unsettling.

"Our original goal of cleansing the automotive sales industry with civil actions has been successful. However, the automotive sales industry is buying their way out. The only way to stop these practices is with help from the consumer at point of sale. StopAutoFraud.com is dedicated to educating the consumer so they can help protect themselves when buying a vehicle."

Interestingly, in addition to claiming to help the consumer, Duane is soliciting industry whistleblowers to tell their story, offering a primer (not for free) for consumers before they purchase a vehicle, angling to be the expert witness in cases against dealers and touting his conversion to Christianity.

Duane's resume is posted at his other web site: [www.automotiveconsumerfraud.com](http://www.automotiveconsumerfraud.com).

Another fringe site with a survey is [www.autoproductdisclosure.com](http://www.autoproductdisclosure.com). This survey is not as extensive as Public Citizens'. Instead, it is very focused on etch, spot delivery and Truth in Lending Act claims. For example:

- Did the dealership representative sign the contract?
- Did the dealership let you take the car home on the day the papers were signed? Did the dealership call you later and ask you to sign additional documents?

Other sites that seek to prey on auto dealers include:

- [www.carinfo.com](http://www.carinfo.com)
- [www.insidercarsecrets.com](http://www.insidercarsecrets.com)
- [www.consumeraffairs.com](http://www.consumeraffairs.com)
- [www.carbuyingtips.com/](http://www.carbuyingtips.com/)

### **A different perspective**

For a different perspective, go to [ww.edmunds.com/advice/buying/articles/42962/article.html](http://www.edmunds.com/advice/buying/articles/42962/article.html). This is a nine-part series that offers a different viewpoint on being a car salesperson. Edmunds.com hired a writer whose first assignment was to get a job as a car salesperson and write an undercover expose. Do yourself a favor and take the time to read it. The gold jewelry and slicked-back hair may join the wooden surfboards in the archives.

A rather puzzling site posting, although still informative, is

[www.poewar.com/money/Articles/common\\_car\\_dealer\\_scams](http://www.poewar.com/money/Articles/common_car_dealer_scams). This web site seems to be dedicated to helping writers become published, yet it publishes this article about "common" dealer scams. Unfortunately, after listing a number of supposed scams, the first tip this writer offers the reader who wants to avoid being scammed is to not finance the car through the dealer.

Some commercial entity catering to our soldiers has launched [www.military.com](http://www.military.com) (at least it spelled it right). Follow the links to "money," then to "car buying" and find "Car Dealer Tricks of the Trade". Here you find:

- Financial Smoke and Mirrors
- Technical Tricks
- Negotiating Tactics
- Used Car Scams
- Leasing Scams

This is must reading if your dealership is near a military base.

Finally, you have got to set this one up in your favorites, just for the weekly laugh, if nothing else! [www.buy-and-sell-car-secrets.com](http://www.buy-and-sell-car-secrets.com) offers product-specific scams, such as car warranty rip-offs and paint sealant scams and a special section titled "Dealer Horror Stories." Most interestingly, you are invited to check in every Monday for the "Car scam or car dealer scam of the week."

Hope you enjoyed the surfing lesson. Maybe now you can surf with the sharks instead of becoming the head that floated through the hole in the boat in that famous shark movie.

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