

# Theft

## Claims Examples

*After unloading a new vehicle off the transporter, a porter left it running and went inside the dealership. When he returned, the car was gone.*

**Claim amount - \$38,000**

*A dealership's employees noticed that five pickup trucks were missing when they arrived at work one morning. During the subsequent theft investigation, police discovered that an extra set of keys was missing from an unlocked file cabinet. The police suspected the thieves received help from one of the dealership's employees, but they could not prove it. The pickup trucks were never recovered.*

**Claim amount - \$190,000**

*A customer and salesperson test drove an SUV. When they returned to the dealership, the customer parked the vehicle, took the keys out of the ignition, and walked into the showroom with the salesperson. Once inside the dealership, the customer returned the keys to the salesperson and claimed he needed to discuss the purchase with his wife. The next morning the vehicle was gone. During the investigation, authorities discovered that the customer had switched the keys with another set while he and the salesperson walked into the dealership after the test drive. The vehicle was never recovered.*

**Claim amount - \$59,000**

## What You Can Do: *Ideas to help manage your risk.*

- Conduct routine inventory checks.
- Implement a policy/program for controlling your keys (see Key Control).
- Use perimeter fencing or barrier controls to prevent thieves from driving vehicles off the lot.
- Use entrance barricades to prevent lot traffic during non-business hours.
- Have adequate security lighting in your showroom after hours.
- Have adequate security lighting in your lot after hours.
- Use security cameras in lots and inside your dealership.
  - Keep surveillance video footage for a minimum of 30 days.
  - When possible, use color security cameras.
- Install a central alarm system.
- Use a motion detection system.
- Install anti-theft devices on inventory (e.g., ignition, fuel pump interruption, etc.).
- Hire a reputable security guard service to help monitor the dealership during non-business hours.
- Do not allow keys to leave dealership employees' possession.
  - Require salespeople to accompany all test drives. An individual on an unaccompanied test drive could get a replacement key made before returning the vehicle.
  - Require salespeople to place keys in the ignition and take keys out of the ignition at all times.
- Retain copies of driver's licenses for anyone who test drove a vehicle until that vehicle is sold.
  - No driver's license, no keys! Not even to start the vehicle and listen to the engine.

# False Pretense

## Claims Examples

*To close the deal on a \$30,000 vehicle, a customer wrote a check for \$10,000 as a deposit and planned to finance the remaining \$20,000. After releasing the vehicle to the customer, the dealership tried to process the check only to discover that the account had been closed for three months. Attempts to contact the customer and recover the vehicle were unsuccessful.*

**Claim amount - \$30,000**

*A customer located five states away contacted a dealership to express interest in a vehicle online. The customer arrived at the dealer's location on a Saturday and asked to finance the purchase through a firm tied to the dealership. After she submitted the necessary paperwork and her driver's license to begin the finance process, the dealership released the vehicle to her. The following Monday the finance company reviewed her submission and discovered that all her information was false. The vehicle was never recovered.*

**Claim amount - \$45,000**

*To purchase a high performance car for \$150,000, a customer put \$4,000 down and wanted to finance the remaining \$146,000. After filling out the paperwork, he was given the vehicle to take home. The financing company called the dealership the next day to inform them the customer's information was false. The vehicle and thief were never caught.*

**Claim amount - \$146,000**

## What You Can Do: *Ideas to help manage your risk.*

- ❑ Know your customers...
  - Meet customers face-to-face.
  - Be cautious of Internet deals, especially if the customer is hundreds of miles away.
  - Be cautious if a customer seems anxious to get the deal done.
  - Make copies of the customer's valid driver's license and proof of insurance.
- ❑ Verify that the customer has sufficient funds in his/her account before accepting payment via check.
- ❑ Do not accept post-dated checks or other post-dated credit transactions.
  - Avoid the deal if the customer says something such as: "The check will be good on Monday."
- ❑ Finalize financing before releasing any vehicles.
- ❑ Complete partial credit applications on cash deals.
- ❑ Look at the customer's license and insurance to verify that the information matches and has not expired.
- ❑ Ensure that the picture on the license is the customer.
- ❑ Check multiple forms of identification, such as a driver's license, credit cards, etc.
- ❑ Verify the customer's address and place of employment prior to finalizing the deal.
- ❑ Use training provided by F&I (Finance & Insurance) providers.
- ❑ Deliver vehicles only to the individuals who purchased them. Resist requests to deliver to third parties.
- ❑ Accompany customers on all test drives.
- ❑ SLOW DOWN. Ask yourself: "Does the deal make sense?"

# Key Control

## Claims Examples

*A dealership used an overnight drop box outside their building for service customers. Using a magnet, thieves pulled three sets of keys out of the drop box and stole three customer vehicles.*

**Claim amount – \$95,000**

*Two high-end vehicles were stolen from a dealership. An investigation revealed that the dealership's key board was accessible to the public. Surveillance video showed one of the thieves distracting a salesperson while the other thief simply walked up and grabbed the keys. The vehicles were never recovered.*

**Claim amount – \$103,000**

*Thieves smashed the window of an SUV and took a dealership's lock box before fleeing the scene. After getting the key out of the stolen lock box, they returned to steal the vehicle. The theft took place on a Sunday when no one was at the dealership. The SUV was found a week later stripped of its key parts. The thieves were never found.*

**Claim amount – \$63,000**

## What You Can Do: *Ideas to help manage your risk.*

- ❑ Have a written employee key control/management program and enforce the program.
- ❑ Designate employees who are responsible for controlling and dispensing keys, as well as documenting a daily key inventory.
- ❑ Communicate guidelines to all employees who have access to keys.
- ❑ Incorporate a key log to document to whom and when keys are checked out and returned.
  - Have salespeople check out keys as they take them. Once a salesperson has the keys, he/she “owns” them. Make salespeople responsible for unreturned keys and the cost of making a new set.
- ❑ If a key is missing, secure the corresponding vehicle until the key is found.
- ❑ Limit the use of lock boxes. Use an automated key dispensing system when possible. If a lock box is used, remove keys from it at the end of every day.
- ❑ Limit the use of key boards.
  - If a key board is used, position it in a secured area with controlled access away from the public.
  - Place only one set of keys on the board.
  - Limit the number of employees who have access to the key board.
- ❑ Secure extra sets of keys in a protected, locked area away from employees, the general public, and high traffic areas. Limit access to this area to authorized personnel only.
- ❑ Do not leave keys in an unattended vehicle, whether inside the dealership or on the lot.
- ❑ Have various models of vehicles in a “test drive row.” This can help eliminate the need to run back and forth for keys as there will be fewer keys associated with the selected vehicles available to test drive.