

# NEWS BULLETIN

## Maine Automobile Dealers Association

180 Civic Center Drive P. O. Box 2667 Augusta, Maine 04338-2667 DIAL 623-3882  
e-mail:info@maineautodealers.com FAX 623-2318

2017-19

### DISTRIBUTION

- General Manager
- Office Manager
- Parts Manager
- Sales Manager
- Service Manager

## FLOOD-DAMAGED VEHICLES

It is not too early to become cognizant of the potential for flood-damaged vehicles to begin showing up at auctions and even trade-in situations. The effect of Hurricanes Harvey and Irma is severe, with flood-damaged vehicles likely to hit the one million vehicle mark, far higher than the 500,000 – 600,000 resulting from Katrina's New Orleans impact. Various reports indicated that nearly 50% of Katrina-damaged vehicles arrived at auctions **without** a branded title. Please be careful.

## 10 INSPECTION TIPS TO DETECT FLOOD-DAMAGED VEHICLES

Due to the recent flooding in the South, MADA is offering the following information published by NADA after Hurricane Sandy (2012). Although there is no sure way to know if a vehicle has been damaged by flooding, NADA offers 10 inspection tips that may be used to detect water damage. A flooded vehicle can be spotted by following these simple steps:

1. Check the vehicle's title history by VIN through commercially available vehicle history reports from Experian's Auto Check ([www.autocheck.com](http://www.autocheck.com)), CarFax ([www.carfax.com](http://www.carfax.com)), National Motor Vehicle Title Information Systems – NMVTIS ([www.vehiclehistory.gov](http://www.vehiclehistory.gov)) or through the NICB's VinCheck ([https://www.nicb.org/theft\\_and\\_fraud\\_awareness/vincheck](https://www.nicb.org/theft_and_fraud_awareness/vincheck)). The report may state whether a vehicle has sustained flood damage.
2. Examine the interior and the engine compartment for evidence of water and grit from suspected submersion.
3. Check for recently shampooed carpet.
4. Look under the floorboard carpet for water residue or stain marks from evaporated water not related to air-conditioning pan leaks.
5. Inspect for rusting on the inside of the car and under interior carpeting and visually inspect all interior upholstery and door panels for any evidence of fading.
6. Check under the dashboard for dried mud and residue, and note any evidence of mold or a musty odor in the upholstery, carpet or trunk.
7. Check for rust on screws in the console or other areas where the water would normally not reach unless submerged.
8. Look for mud or grit in alternator crevices, behind wiring harnesses and around the small recesses of starter motors, power steering pumps and relays.
9. Complete a detailed inspection of the electrical wiring system looking for rusted components, water residue or suspicious corrosion.
10. Inspect the undercarriage of other components for evidence of rust and flaking metal that would not normally be associated with late model vehicles.

While these inspection suggestions will not detect flood damage in every case, they do provide some information to protect the dealership and the consumer from purchasing a vehicle damaged by water or flood. (Any vehicle listed in the National Insurance Crime Bureau's [NICB] database of known flood damaged vehicles will receive a flood branded title).

## REGIONAL MEETINGS SCHEDULE

Each Fall MADA Officers, Directors, attorneys and Association personnel travel the State to visit with the membership at regional meetings. This Fall will be no exception. MADA is currently working on arrangements in the communities hosting these workshops, and the membership will soon receive the announcement letter and locations – dates – times. Preliminary agenda items include: a review of new laws passed by the Maine Legislature which become effective November 1; Bureau of Motor Vehicle discussions regarding titles, trade-ins and subsequent availability for resale; manufacturer recalls and new Maine law on the subject; personnel policies regarding overtime, harassment, federal reporting rules, and Maine's marijuana rules; Congressional activities affecting dealerships; and dealer licensing renewals.

## EXPANDED EEOC PAY DATA REPORTING POSTPONED INDEFINITELY

The U.S. Office of Management and Budget (OMB) has indefinitely postponed expanded reporting on pay data on the EEO-1 form. All dealerships with 100 or more employees in the company have previously submitted the older version of the form annually to the Equal Employment Opportunity Commission (EEOC).

OMB ordered a review and then an immediate stay of the EEO-1 form published last year. The action is partly the result of concerns raised by employer organizations, including NADA. The 2016 EEO-1 form would have required the reporting of data on wage and hours worked and the range of compensation paid to employees by demographic group. In announcing the stay, OMB said it was concerned that “some aspects of the revised collection of information lack practical utility, are unnecessarily burdensome, and do not adequately address privacy and confidentiality issues”.

Covered employers should be prepared to file 2017 data by the March 31, 2018 deadline.

## WARNING FROM IRS: BEWARE IRS/FBI-THEMED RANSOMWARE SCAM

The Internal Revenue Service (IRS) warns people to avoid a new phishing hoax that impersonates the IRS and FBI as part of a ransomware scheme to take computer data hostage.

The scam email uses the emblems of both the IRS and Federal Bureau of Investigation and tries to entice users to click on a “here” link to download a fake FBI questionnaire. Instead, the link downloads a type of malware called ransomware that prevents users from accessing data stored on their device unless they pay money to the scammers. Victims should not pay a ransom. Often the scammers will not provide the decryption key even after a ransom is paid.

“People should stay vigilant against email scams that try to impersonate the IRS and other agencies and try to lure you into clicking a link or opening an attachment”, said IRS Commissioner John Koskinen. “People with a tax issue won’t get their first contact from the IRS from a threatening email or phone call”. Victims should immediately report any ransomware attempt or attack to the FBI at the Internet Crime Complaint Center, [www.IC3.gov](http://www.IC3.gov). Forward any IRS-themed scams to [phishing@irs.gov](mailto:phishing@irs.gov). The IRS does not use email, text messages or social media to discuss personal tax issues, such as those involving bills or refunds. For more information, visit the “Tax Scams and Consumer Alerts” (<https://www.irs.gov/newsroom/tax-scams-consumer-alerts>) page on IRS.gov.

## SAFETY CORNER – SALESPEOPLE & HELIUM

Please take a moment to educate your salespeople about the safe handling of helium tanks. Tanks must be stored and used in an upright position and secured to a wall or secured onto a rolling cart by a chain or strap. **DO NOT** bring the tank to the middle of the showroom or outside without the tank being secured. The regulator may be left on it during storage, and all other stored helium tanks must have the caps **screwed** onto the top (not just sitting on it) when not in use. If you have any further questions or safety concerns, please call Becky Johnston (MADA Membership Services) (207) 441-3907 or email [becky@maineautodealers.com](mailto:becky@maineautodealers.com) for assistance.