

Helping You Drive Vermont's Economy



July 12, 2021

Greetings <<First Name>>,



Reporting Fraudulent Unemployment Compensation Claims

Fraudulent unemployment compensation claims filed following identity theft are on the rise. Below are some warning signs that a fraudulent unemployment claim was filed involving your dealership.

The dealership receives paperwork or a notice for an employee who was never employed at the dealership.

Often employers report that an individual is claiming them as their employer, but the individual never worked at the dealership. According to the DOL, this often occurs when a robot is filing multiple claims at a time and choosing random employers. Employers should mark "Never Worked Here" on the form and send it back to the DOL according to the instructions on the paperwork or notice.

The dealership receives paperwork or a notice for an employee who is fully employed at the dealership.

The dealership should talk to the employee to ask if he/she opened a claim. Often, the employee will be unaware that their identity is being used by a fraudster. If the employee did not file the unemployment claim, instruct the employee to report the fraud to the [DOL on its website](#).

An individual receives unemployment compensation paperwork for themselves.

When this occurs, the individual should be aware that their identity was stolen. The individual should [report the fraud online here](#).

If paperwork is received, it does not necessarily mean that payments have or will be made on that claim. It is important for any fraud attempts to be reported as soon as possible.

Employers and individuals should also report the incident to [IdentityTheft.gov](#) which is managed by the Federal Trade Commission and contact the local police department to file a report. Individuals can also place a freeze alert on their credit record through the three credit bureaus (Equifax, Experian, and TransUnion) and can contact their financial providers (banks, credit card companies, etc.) to flag irregular transactions.

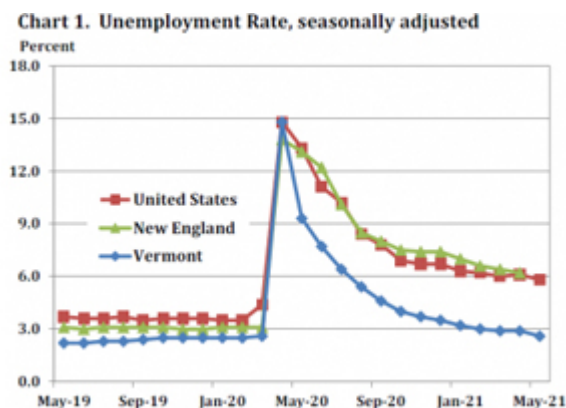
The dealership or individual will not be charged for benefits paid to fraudsters through identity theft. If payments are not stopped upfront, there will be an overpayment set up when the situation is investigated. Overpayments credit an employer's account, and the employer is not charged for benefits which were overpaid.

News... Did You See It?

[NADA Issues 2021 Second Quarter Auto Sales Analysis](#)

[Weekly unemployment claims low, Scott will end \\$300 weekly stipend in September](#)

[DMV to reopen satellite offices, all to remain appointment only](#)





Wholesale Used Vehicle Prices Peak According to Latest Manheim Data

- Wholesale used-vehicle prices decline in June following a record high of 203 in May.
- Sales efficiency (conversion rate) reached the high 80s in April and has since steadily softened.
- Metrics indicate that supply now more in

balance with demand, but constraints will continue.

- Retail prices continued to rise and are expected to peak later this month

Wholesale used vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) decreased 1.3% month over month in June, after record highs for four consecutive months. This brought the Manheim Used Vehicle Value Index to 200.4, a 34.3% increase from a year ago and a 1.3% decrease from a high of 203 in May.

“After several months of record highs, all indicators now show that wholesale used vehicle prices peaked in early June and have started to decline,” said Cox Automotive Chief Economist Jonathan Smoke. “In June, the Index hit a record high of 203, and we don’t anticipate seeing numbers in the 200s again for likely several years. Based on our data, it’s clear that supply and demand are more in balance and may be tilting slightly to favor buyers. There are still supply constraints and will be for some time, but we anticipate that substantially inflated used vehicle values will erode by 9% between now and the end of 2021.”

Manheim Market Report (MMR) prices saw weekly increases in the first two full weeks of June, but the remaining weeks saw accelerated price declines. MMR is a valuation tool used by tens of thousands of consignors and dealers to assess millions of trade-ins each month. MMR is designed to be highly stable and avoid overreacting to short-term market ups and downs while providing an accurate measure of vehicle valuations regardless of market conditions. Retail prices continued to rise, though at a slower pace, and are expected to peak later this month.

Over the last five weeks, the Three-Year-Old Index declined a net 0.7%. Over the month of May, MMR Retention, which is the average difference in price relative to current MMR, averaged 99%. The sales conversion rate, which peaked in April in the 80s, also slowed as the month progressed and ended the month at a level in the low 50s, much more typical for the month of June.

On a year-over-year basis, all major market segments saw seasonally adjusted price increases in June. Pickup trucks outperformed the overall market, while most other major segments underperformed the overall market.

With Record Prices and Tight Supply, New and Used Vehicle Sales Slow in June

According to Cox Automotive estimates, total used-vehicle sales were down 11.1% year over year in June. The used vehicle seasonally adjusted annual rate (SAAR) estimate for June is 39.0 million, down from 43.6 million last June and down compared to May's 40.0 million SAAR. The June used retail SAAR estimate is 21.3 million, down from 23.1 million last year and down month over month from May's 21.9 million retail SAAR.

Using a rolling seven-day estimate of used retail days' supply based on vAuto data, the used retail supply peaked at 114 days on April 8, 2020. Used retail days' supply was down to 41 days by the end of June, below the normal level of about 44 days' supply.

The estimated wholesale supply peaked at 149 days on April 9, 2020, when normal supply level is 23 days. The estimated wholesale supply peaked at 149 days on April 9, 2020, when normal supply level is 23 days. It was down to 20 days by the end of June. Supply is expected to modestly improve but inventory levels are not likely to return to higher 2019 levels until 2024.

June total new-vehicle sales were up 18% year over year, with the same number of selling days compared to June 2020. The June SAAR came in at 15.4 million, an increase from last year's 13.0 million but down from June 2019's 17.2 million rate.

Combined sales into large rental, commercial, and government buyers were up 63% year over year in June. Sales into rental increased 531% year over year in June but remain down 3% in the first half of 2021 compared to the same period last year. Commercial sales gained 13% year over year and are up 27%

in 2021. Including an estimate for fleet deliveries into the dealer and manufacturer channel, the estimated remaining retail sales were up 15% year over year in June, leading to an estimated retail SAAR of 13.4 million, up from 11.6 million last June but down from June 2019's 13.6 million rate.

Rental Risk Pricing Softens in June

The average price for rental risk units sold at auction in June was up 14% year over year. Rental risk prices were up 2% compared to May. Average mileage for rental risk units in June (at 87,000 miles) was up 100% compared to a year ago and down 1.5% month over month.

About Manheim

Manheim® is the nation's leading provider of end-to-end wholesale vehicle solutions that help dealer and commercial clients increase profits and efficiencies in their used vehicle operations. Through its physical, mobile, and digital sales network, Manheim offers services for decisioning, buying and selling, floor planning, logistics, assurance, and reconditioning. Operating the largest vehicle wholesale marketplace, Manheim provides clients with choices to connect and transact business how and when they want. With nearly 6 million used vehicles offered annually, Manheim team members help the company facilitate transactions representing nearly \$60 billion in value.

About Cox Automotive

Cox Automotive Inc. makes buying, selling, owning and using vehicles easier for everyone. The global company's more than 27,000 team members and family of brands, including Autotrader®, Dealer.com®, Dealertrack®, Dickinson Fleet Services®, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto® and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five continents and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with annual revenues of nearly \$20 billion.

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Dealer Responsibilities For Tire Sales

New car dealers who sell tires in their service department are considered tire dealers under federal regulations, which means they must comply with certain paperwork requirements.

Tire Registration Forms

Dealers must provide tire purchasers with a registration form that includes the tire identification numbers, the dealer's name and address, and the tire manufacturer's logo or

other identification and mailing address. It is the purchaser's responsibility to fill in their name and address and send the form to the tire manufacturer. The purpose of the form is for recall notifications. The National Highway Traffic Safety Administration (NHTSA) requires tire and/or vehicle manufacturers to notify motor vehicle dealerships of any ban on selling new or used defective or noncompliant (recalled) tires. Any sales of these tires should then be reported to NHTSA.

Tire Disposal

Dealers will be informed on how to dispose of recalled tires and render them unsuitable for installation on a motor vehicle. In addition, recall programs must maximize the extent to which recalled tires are reused positively (e.g., shredding, crumbling, recycling, recovery) in lieu of landfill disposal. Manufacturers will provide dealers with this information annually or at the time of each recall campaign.

Tire-Label Rule

NHTSA requires light duty vehicle manufacturers to attach standardized TREAD Act Tire Labels on the pillar behind the driver's door or on the driver's door. These labels must specify a vehicle's tire size, cold inflation pressure, and its capacity weight rating (gross vehicle weight minus curb weight).

Dealerships replacing tires on new vehicles before the first sale must relabel if those tires have a different size or cold inflation pressure than the original.

Dealerships adding parts or accessories to a vehicle prior to the first sale must relabel if those add-ons exceed the lesser of 100 lbs. or 1.5% of the GVWR.

Dealerships may use any reasonable means to determine the accurate weight of any add-ons, including scales or reference to their shipping weight.

Relabeling is not required when changes result in a new vehicle's weight being

reduced or for changes made to used vehicles.

Relabeling may be accomplished as follows:

1. Place a new label with new information on top of the existing label.
2. Modify the existing label with the new tire or weight information.
3. For weight changes only, place a supplementary

Replacement placards are available from OEMs, from form companies, and from aftermarket parts and equipment suppliers.

TIRE AND LOADING INFORMATION			
SEATING CAPACITY	TOTAL	FRONT	REAR
The combined weight of occupants and cargo should never exceed _____ Kg or _____ Lbs.			
TIRE	SIZE	COLD TIRE PRESSURE	SEE OWNER'S MANUAL FOR ADDITIONAL INFORMATION
FRONT			
REAR			
SPARE			



EEOC Increases Maximum Posting Penalty

The Equal Employment Opportunity Commission (EEOC) has announced an increase in the maximum fine for violating anti-discrimination posting requirements. The maximum penalty will increase to \$576.

Posting a notice of employee rights is required under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and the Genetic Information Non-Discrimination Act (GINA).

Employers with 15 or more employees need to display the poster in prominent and accessible places.

VADA makes available to members an all-in-one employment compliance poster at no charge.

Dealerships Should Provide Company Email Addresses for Employees



It's a nightmare scenario.

A valued—and valuable—employee leaves to pursue another opportunity. After they leave, you realize that they had been using a free, personal email address for all of their work emails and you no longer have access to it. Now any of your data that exists in their email account is gone. What can a dealership do?

At that point, it's too late, unless the former employee chooses to give their former employer access to the email account out of the goodness of their heart. That's why it is imperative that dealerships issue business email addresses through the dealership's domain to employees who use email for work. The business needs to be able to maintain control over that email address. Dealerships should also have a policy prohibiting employee use of personal email addresses for work purposes.

Maintaining control over employee email is essential for several reasons.

- Valuable data that belongs to the dealership may be contained in those emails. If you lose access to the account, you lose access to that data. And if former employees maintain control of the account after their departure, they're taking that data with them to their next employer.
- Company email addresses should be backed up and protected by IT protocols. When an employee uses non-company email addresses for work, those emails aren't backed up and the protocols put in place to protect the dealership are circumvented.
- Do you trust your employees to have stringent security measures on their personal accounts? Are free email addresses as secure as ones established by your IT team? The answer to both of the questions is likely no. If your employee's personal account gets hacked and it contains private dealership data, that data could be exploited by hackers.
- There are also risks for the employee. In the case of litigation, an employee using personal email for work purposes may open up their personal account to be subject to discovery.
- Public perception is also important. A business using Gmail, Hotmail, Yahoo, or AOL email addresses creates a different image than a business using an address with a company domain. What do you want your image to be?

The bottom line is that it's best practice to provide company-controlled email addresses to employees. Work with your IT team to make it happen.



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