

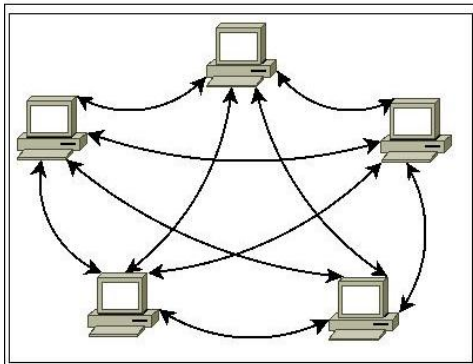
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Dealer charged by FTC for alleged customer data security violations

Agency says dealer customer info made available on peer-to-peer networks is illegal

The Federal Trade Commission announced an enforcement action against, and a proposed settlement agreement with, a franchised new car dealer this week for allegedly violating the FTC Privacy Rule as a result of its failure to implement security measures to protect its customers' personal information (including names, addresses, social security numbers, dates of birth, and driver's license numbers).



The FTC says the personal information of 95,000 consumers was made available on a peer-to-peer (P2P) network where it may be viewed or downloaded by any computer user with access to the network, and cannot be permanently removed from the network. In addition to the data security violations, the FTC alleged that the dealership engaged in a unfair or deceptive act or practice (UDAP) violation by misrepresenting in its privacy notice the measures it takes to protect customer information from unauthorized access. The proposed consent order between the parties contains, among other elements, a

requirement that the dealership undergo data security audits by independent auditors every other year for 20 years.

The FTC has posted a Guide on the topic of P2P file sharing software that dealers should review by clicking [here](#). It also noted that it is essential that dealers protect customer information against this threat regardless of where it arises in the dealership (even in non-finance and non-lease transactions that may not be covered by the FTC Privacy Rule or FTC Safeguards Rule).

In a related FTC enforcement action against a debt collector, the FTC used its UDAP enforcement authority to address the company's exposure of hospital patient information that

allegedly resulted from the installation of P2P file sharing software on the company's computer system.

The FTC announcement states that this is the agency's first action charging an auto dealer with violations of the Gramm-Leach-Bliley Act (which the FTC Privacy and Safeguards Rules implement).

Congress takes first steps to eliminate insurance booklet requirement at dealerships

The House Energy and Commerce Subcommittee on Commerce, Manufacturing and Trade this week passed a bill that eliminates the requirement that new car dealers provide information on auto insurance costs to customers. The measure, strongly endorsed by the National Automobile Dealers Association (NADA), also eliminates a \$1,000 fine per violation if a dealer is unable to produce the booklet upon the request of a car or truck buyer.



Since 1991, the federal government has printed and mailed the booklet, Relative Collision Insurance Cost Information, to all new-car dealerships. However, dealers and sales staff report that consumers rarely ask for the booklet, and the information is irrelevant to new-car buyers.

“Today, consumers can go online or make a quick phone call to compare insurance rates on different models,” said NADA President Phil Brady. “Technology has simply made printing and snail-mailing an auto insurance report, which is potentially outdated and misleading to consumers, unnecessary.”

In 2011, an Obama administration document said the booklet was “rarely used” and “not useful.” A recent NADA study of 815 dealerships revealed that for 96 percent of dealers, no customer had ever asked to see the booklet.

Dealers generally advise their customers to call their insurance agents directly for an accurate quote instead of relying on a government booklet which is printed once a year. The administration previously stated that “a prospective buyer does not need a brochure from the federal government to obtain this information, since insurance agents are trained to provide advice on how model selection affects insurance premiums.”

The bill does not prevent the government or the Highway Data Loss Institute, a non-profit organization which collects insurance data, from making the information available to the public. The measure (H.R. 5859), will next be considered by the full House Energy and Commerce committee.

Nine new graduates for WANADA's tech training program in May

More than 230 have completed unique instructional effort

WANADA's unique and NATEF certified technician training program graduated nine fully qualified technicians in May, bringing the number who have succeeded in the two-year combination service bay/classroom education program to over 230 students.



Begun by the association in 2000 to address a pending shortage of technicians in the industry, the program places post-high school students at participating dealerships in fulltime jobs and provides one full day of in-classroom teaching by ASE and NATEF certified instructors at Montgomery College in Maryland on the basics of automotive diagnostics and repair. Students work with a mentor at the dealership and typically achieve a number of ASE certificates in specific skill sets over the life of the four semester program. They also receive credits

for their schoolwork when they choose to pursue an associate degree at the college.

“It’s always gratifying to see our students graduate because our program history has shown they go on to be very productive employees at their dealerships,” said Jake Kelderman, director of WANADA’s Automobile Dealer Education Institute (ADEI), which runs the technician training program.

There are 17 students returning for their second, third or fourth semester of studies in the ADEI program for the fall, as well as 9 brand new students, who have already been placed at area dealerships.

“We anticipate adding another 8 to 10 students to that list,” said WANADA field services representative Billy Painter. “The demand from dealers is increasing, and, lucky for us, we have some good kids graduating high school,” he added.

Dealers are charged \$1,000 per semester to enroll a student, but this investment is quickly returned through increased productivity. Students who successfully complete their first six weeks of schooling receive a free Snap On toolset valued at \$1,000.

WANADA dealer members are encouraged to contact Billy Painter if they have an employee whom they wish to enroll in the program and/or if they are in need of an entry-level technician. He can be reached at 202-237-7200 or at bp@wanada.org

Zipcar comes to DC public housing



Zipcar, the car sharing network, is expanding its offerings to District of Columbia Housing Authority (DCHA) public housing sites across the city to provide alternative transportation options for local residents. DCHA provides affordable housing to approximately 50,000 District

residents.

Under an agreement reached with the city, Zipcar will place nine new car-sharing vehicles at DCHA locations, for use by local residents beginning this week at Stoddert Terrace and Greenleaf Gardens sites and at additional locations beginning July 1.

"We are committed to providing both affordable housing and transportation options for all D.C. residents. This partnership between DCHA and Zipcar will go a long way to meet the needs of our public housing residents and the community in these new locations," said Mayor Vincent Gray.

DCHA is one of the first housing authorities in the nation to partner with Zipcars in bringing car sharing to public housing residents. "The lack of flexible transportation options can hinder our residents' efforts to become more self-sufficient, such as being able to reach a job interview for a company that is inaccessible by public transportation," said DCHA Executive Director Adrienne Todman.

National studies have shown that, depending on total distance driven, a car-sharing program can save members up to 70 percent of their total transportation costs.

"We hope the addition of Zipcars at these public housing developments will benefit DCHA residents by providing access to wheels when they want them, whether they need to go to a doctor's appointment or run an errand," said Ellice Perez, general manager, Zipcar D.C.

Old Ferraris just keep getting more expensive

Just months after a rare Ferrari GTO sold in Europe for a record-breaking \$32 million, Bloomberg BusinessWeek reports that an apple green Ferrari 250 GTO from 1962 has topped it, selling for \$35 million.

The fantastic Ferrari was built for race car driver Stirling Moss, and was bought by cellphone industry tycoon (and classic car collector) Craig McCaw, who just listed his private island off the coast of Vancouver for a tidy \$75 million. The Ferrari is one of just 39 GTOs made between 1962 and 1964.



The seller was Dutch-born businessman Eric Heerema, who owns the Nyetimber vineyard in southern England. He bought it a decade ago for \$8.4 million, according to Bloomberg.

Staying ahead...

Don't mistake a short memory for a clear conscience.

--Doug Larson