

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

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Dealers Back in the District as Polestar Opens DC Location

When the Martens family exited the local car business nearly a decade ago, the last franchise physically situated within the District of Columbia exited with them. With DARCARS bringing a new Polestar retail outlet back into DC last month, that's now all changed.

DC Mayor Muriel Bowser, who was present at the store's grand opening last month, called the franchise an essential step in the District's "comeback program," as it addresses a post-pandemic lack of investment in downtown and a decline in worker population. The mayor said that she is "taking advantage of every cent from federal dollars" to invest in electric car infrastructure in the coming years.



Pictured (from left): DARCARS CEO John Darvish, DC Mayor Muriel Bowser, DARCARS COO Jamie Darvish, WANADA CEO John O'Donnell and Antoine Thompson, Executive Director of the Greater Washington Region Clean Cities Coalition.

The Volvo-owned electric car brand launched the 2,900-square-foot showroom at 1050 17th St. NW by detaching a bright yellow seatbelt, then unveiling the Polestar 3, a battery-powered SUV with an estimated 500-plus of horsepower expected to hit stores in early 2024. DARCARS COO and WANADA Vice Chairman Jamie Darvish called the brand a blend of "performance and luxury with a twist of Swedish craftsmanship," and noted that the District is one of the top six cities in the nation for EV registrations.

Polestar's launch of a new showroom in Washington, DC, indicates a significant step forward in the brand's network expansion plans. By establishing this new retail location, Polestar aims to make electric performance vehicles more accessible to the public and promote the switch to electric transport in North America.

From MADA: Additional Guidance on Excise Tax Credits

Last month our friends at [MADA](#) relayed additional guidance from the MVA on excise tax credits:

A vehicle base purchase price exceeding \$50,000 – even if the total purchase price is lower than \$50,000 – will not qualify for the EV excise tax rebate.

*The vehicle base purchase price means the Standard Vehicle Price as printed on the Monroney sticker. This base purchase price does not include: shipping or freight charges; optional manufacture installed items included with the vehicle at the time of purchase; extended warranties; state or federal taxes; registration fees; calculation of a dealer trade-in allowance; dealer discounts or rebates; state, federal, or local government purchase incentives; and vehicle options.

Example 1. Susan purchased an electric vehicle with a Monroney sticker base price of \$47,240 but added custom options that added \$8,000. Including the \$1,390 destination fee and \$250 order fee, the total vehicle price is \$56,880. Since the base price of \$47,240 does not exceed \$50,000, Susan would qualify for the credit. ([Sample Qualifies Monroney Sticker](#))

Example 2. Bob purchased an electric vehicle with a Monroney sticker base price of \$56,995 but the sale included a manufacturer rebate that brought the total vehicle price under \$50,000. Even though Bob's vehicle sale was under \$50,000, Bob would not qualify for the credit since the base purchase price exceeds \$50,000. ([Sample No Credit Monroney Sticker](#))

Expectation of Payment from the State:

The Maryland MVA processes program applications, but the credit is prepared by the State Comptroller's Office in Annapolis. Upon approval, **you should receive the credit within 8-10 weeks.**

Does my Dealership Qualify?

Yes, however the credit is limited to one vehicle per individual and ten (10) vehicles per business entity.

To submit an EV excise tax rebate application for a customer:

- [VR-334](#): Complete and certify an VR-334 Application (Excise Tax Credit Request for Plug-In Electric or Fuel Cell Vehicle)
- Scan the vehicle's original Monroney sticker

Submit completed form & Monroney sticker image/photo to:

MVAElectricRefunds@mdot.maryland.gov

You may also mail applications to:

Maryland Motor Vehicle Administration Excise Tax Refund Unit
6601 Ritchie Highway NE Room 202 Glen Burnie, MD 21062

Refer to the [MVA Excise Tax Page](#) for more information.

Please note that electric vehicles purchased prior to July 1, 2023, are not eligible for the EV excise tax credit under the current program established by the Maryland General

Helpful Reminders from the Virginia Motor Vehicle Dealer Board

For all Virginia dealers, it is important to remember that the Virginia Motor Vehicle Board (MVDB) oversees most dealer compliance issues. This is to the advantage of the industry since this is essentially a highly organized and effective self-policing body.



To ensure MVDB can communicate promptly with Dealers, and that you receive all the MVDB correspondence, WANADA recommends that all dealerships and dealer-operators have an official email address registered with MVDB. If you need to submit or update your email address please send to dboardreply@mvdb.virginia.gov. Please include your Dealer Certificate number and name for processing.

It is also important to regularly review the dealership email and contact information MVDB has on file to ensure it is up to date. You can request an Audit Sheet that contains these details for your dealership by emailing your Field Representative or dboardreply@mvdb.virginia.gov. Dealers may also view much of the contact information the Board has for the Dealer through the “Search Active Dealer” feature on the MVDB website. When searching for your dealership, check to see if the information on the website is accurate.

At the time of dealer license renewal, accurately indicate on the MVDB 10 (Section 4) the dealership email and the dealer-operator’s email address. In addition, watch for Board notices, announcements, and other educational information emailed to you through Sendpulse, MVDB’s email marketing tool.

MVDB also provided a few other tips to ensure smooth and seamless communication:

1. Make sure the Board is listed as a “trusted site” in your email.
2. Check your spam or junk account for any emails from the Board.
3. Place the MVDB in your email address/ contacts.
4. If you have storage limits on your hosting email provider, please make sure you stay below your limits.

MVDB staff makes every effort to record dealer contact information promptly and accurately. If there are any questions, please contact the Board at 804-367-1100 or via email at dboard@mvdb.virginia.gov.

From CBM: How to Detect and Prevent Fraud in Your Auto Dealership

Last month Keith Laudenberger, a partner at accounting firm Councillor Buchanan & Mitchell, penned a very [helpful article](#) on steps dealerships can take to help prevent fraud. It has been reprinted below in full for reference.

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The digital age has revolutionized the car-buying experience but has also opened the door to a new wave of scams. Identity theft and loan application fraud have become significant risks for online auto buyers and dealerships. In this article, we'll delve into how this technology can be your secret weapon in the fight against digital fraud in the auto retail industry.

Why All Dealerships Should Be Concerned With Internal and External Fraud Risks

Picture this: it's March 2023, and two dealership employees have just been arrested for fraud and forgery. And they're not the only ones. Unwanted warranties and add-ons, fraudulent electronic signatures, and even "power-booking" are all rising.

But it's not just about the loss of potential profits. Your dealership's reputation is at stake. What if you were faced with similar allegations?

The good news is that you can take steps to protect yourself. By implementing external and internal controls, you can safeguard against fraud that could damage your revenue and good name. Don't wait until it's too late – start taking action today.

The Rise of Fraud in the New Digital Auto Retail World

Did you know that 96% of car buyers are eager to apply for financing online? Why? It saves time and is more satisfying than traditional in-person dealership experiences, according to the 2021 Cox Automotive Car Buyer Financing Journey Study.

What's more, one in five car buyers completes over half of their auto purchase process online!

But here's the catch: dealership fraud is on the rise. In fact, some alarming statistics reveal that 84% of dealerships report instances of identity fraud, with 79% suffering losses as a result. To make matters worse, 77% of dealers reported increased loan application fraud and lacked proper protection against identity fraud.

Don't worry; there are ways to protect your dealership and customers. Let's explore them.

The Importance of Verification Technology in Preventing Fraud

Are you an auto dealer who relies on scanning or photocopying customers' driver's licenses for ID verification? While it's a popular method, it's not foolproof. What if the license is fake or stolen? Enter verification technology – the missing piece to your customer validation process.

With verification technology, you validate the license and verify the person's identity and address. Plus, it helps you "red-flag" potentially dangerous individuals, satisfying Office of Foreign Asset Control (OFAC) regulations.

This technology is so secure that it's now used in many online banking applications too! Don't settle for scanning alone; upgrade to verification technology and protect against fraud.

Steps to Build and Implement an Internal Audit Program

Fraud can wreak havoc on a dealership, but internal controls can help prevent it. To build a strong internal audit program, follow these five steps:

1. Create, review, or update your policies and procedures manual, and schedule regular reviews to catch any areas for improvement.
2. Identify key areas from your manual to test regularly.
3. Ensure staff and key employees know their roles and responsibilities and properly segregate duties between departments.
4. Assign individuals with regular audit responsibilities.
5. Follow up regularly to make sure everyone is on track and held accountable.

With these measures, your dealership can be more secure and protected against fraud.

Fraud is a major threat for auto dealerships in the modern digital retail world, whether committed from outside or within the organization. Fortunately, there are effective ways to combat it. One uses verification technology, and another implements an internal audit program. These two tactics can help dealerships spot gaps in their internal controls and prevent fraud from happening.

2023 WANADA Open Rescheduled Due to Inclement Weather

Threats of lightning in the vicinity of the Trump National Golf Club in Sterling, VA caused the 2023 WANADA Open to be rescheduled. The tournament is now slated for Monday, September 25, 2023. All registrations and sponsorships will be honored for the new date. Mark your calendars today and stay tuned for additional relevant details.



The Trump National Golf Club in Sterling, VA

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