

Retail Finance Fraud Warning

Gehl Finance was recently contacted by state and federal law enforcement agencies to warn dealers about a retail finance fraud ring targeting the construction equipment market.

The individuals behind the fraud either recruit willing individuals to participate or coerce innocent persons into the scheme as straw buyers. Using the identities and past credit histories of the straw buyers, the fraud ring arranges the purchase of one or more pieces of equipment through a dealer and applies for credit under the manufacturer's retail finance program. Since the straw buyers are real people with reasonable credit profiles, credit approvals are received and the fraud ring takes delivery of the equipment – often with little, if any, down payment. The fraud ring may make one or two monthly payments under the finance contract to buy time so they can move/hide the equipment before serious collection efforts begin. Then, payments cease and all parties vanish. The ring is believed to be shipping most of the equipment to Eastern Europe. Skid loaders, mini excavators, track loaders and telescopic handlers are all on their targeted shopping list.

In many (but not all) cases, purchases by the fraud ring involve applying for credit in the name of a woman. This woman is accompanied by a man who handles the negotiations on the pretext that the woman does not speak or understand the English language well. The credit application is submitted in either the name of the woman or a business name with the woman listed as the principal business owner and/or as a guarantor.

Individuals involved in this scheme have also begun targeting rental fleet units of dealers. Instead of attempting to purchase and take delivery of a new piece of equipment, these individuals try to rent relatively new pieces of compact construction equipment. The units are never returned after the rental contract is signed and a unit leaves the dealer's lot. The initial rental payment and any required security deposits in many cases are being paid using fraudulently obtained credit cards. Almost all persons linked to this scheme have either a business and/or home address located in the greater Chicago area.

The best line of defense to prevent losing any equipment to these individuals is at the dealer level. Customers with no prior business relationship with the dealership or past financing history directly with Gehl Finance may require further reference and background checks. In certain cases Gehl may have dealers verify the identity of a customer by obtaining and providing a copy of the individual's driver's license or passport. Dealers are urged to take whatever steps necessary to verify the identity of the individuals who purchase and/or rent equipment from their dealerships.

If you suspect you may be dealing with a customer who is part of this fraud please call Gehl Finance immediately. ■

Congratulations!

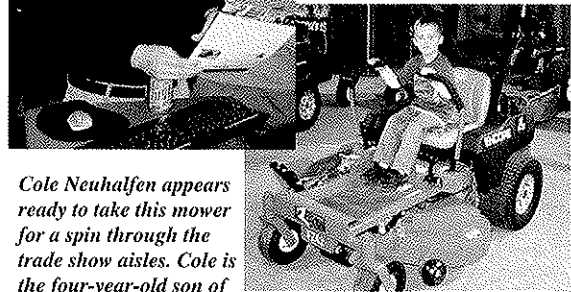
Iowa-Nebraska Equipment
Dealers Association Members
and Staff on a

Great Show!

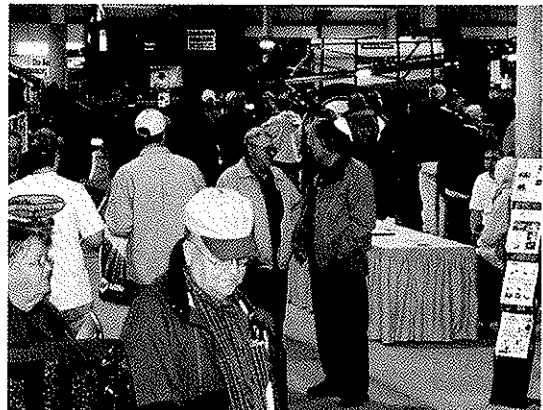
Scenes from the Nebraska Power Farming Show



Kevin Abts of Lindsay Corp. explains the FieldNET irrigation system to a visitor to the Nebraska Power Farming Show in Lincoln, Neb.



Cole Neuhalfen appears ready to take this mower for a spin through the trade show aisles. Cole is the four-year-old son of Chad and Gina Neuhalfen of Waverly, Neb.



Both days of the farm show had excellent attendance, even with the snowstorm on the second day.

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