

Internet Vehicle Sales



Need A Loan? ...

**INTERNET
AUTO SALES**

**Bad Credit?
No Credit? NO PROBLEM!**



Internet Vehicle Sales

- Allow for vehicles to be bought and sold virtually anywhere.
- Curbed exposure.
- Dealer "Internet presence" price, low no pressure, easier, local and at your pace, less common =



Internet Vehicle Sales



Internet sales and the licensed vehicle dealer, how has it changed?

- Invoice prices are public. Dealer incentive program changes.
- Competition increase; nationwide.
- Consumer options.
- Internet brokering sites; TrueCar, Edmunds, KBB, Cars
- Off site sales...
- Manufacturers selling directly to consumers?

Internet Vehicle Sales



Does internet selling work?

- Ebay has sold nearly 5 million passenger vehicles.
- Craigslist. Free for dealers and public.
- Society is more accepting to purchasing products site unseen, including vehicles.
- NADA; 2001 new car dealers spent 4.6% of ad budget on internet. 2011 spent 24.8%. Why?; odds are better public will buy the car found on the internet.
- Evens playing field for dealers. Virtual sales removes overhead and many associated costs.

Internet Vehicle Sales



Nevada's 2012 Report on internet sales.

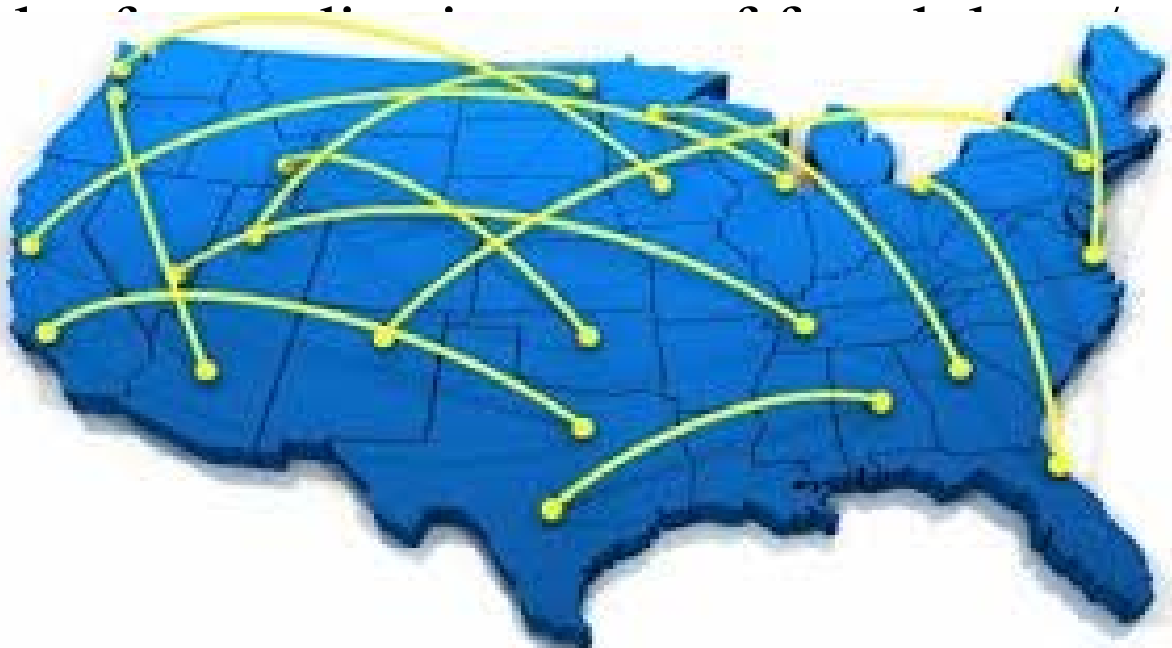
- 43 states don't address internet sales.
- Most states agree internet sales okay as long as state law followed.
- Most states look at internet sales as an advertising tool.

Internet Vehicle Sales



Challenges to investigating internet sales.

- For most, the second most expensive purchase made.
- Lack of information on where the vehicle was purchased.
- Vehicle is often shipped to the buyer's home.
- Phone records are often not available.
- Physical location of the seller is often unknown.
- A large number of vehicles are sold through the internet.
- How can we track the vehicle?
- Who is the seller?



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Internet vehicle sales fraud



Challenges to investigating internet sales

- Can we investigate a complaint against an out of state seller?
- Your resident is under investigation for title, registration, and vehicle tax fraud but the vehicle was purchased over the internet from an out of state dealer, how do we get the out of state dealer to comply? Is your subpoena any good out of state?
- Could sellers use “straw” bidders on the internet to raise the selling price?
- Other internet scams that sellers could use?
- Virtual sales. How does the buyer know if the seller is the rightful owner? Example.

Internet vehicle sales fraud



“How online scammers made millions selling non-existent cars, motor homes”

- 2012 FBI report: Scammers made over \$2 million
- Advertisers didn't own cars or motor homes, but they listed them for sale. Scammers used stolen photos and descriptions to lure buyers. Many buyers paid money, but never received the vehicles. Scammers then used the money to pay for legal fees and to flee the U.S.
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- Money was often sent to offshore accounts, then used to pay for legal fees and to flee the U.S.
- Defendants were often caught, but many had already fled the U.S.



Internet vehicle sales fraud



[des moines craigslist](#) > [for sale / wanted](#) > [cars & trucks - by owner](#) [email this posting to a friend](#)

Avoid scams and fraud by dealing locally! Beware any deal involving Western Union, Moneygram, wire transfer, cashier check, money order, shipping, escrow, or any promise of transaction protection/certification/guarantee. [More info](#)

please flag with care: [?]

[miscategorized](#)

[prohibited](#)

[spam/overpost](#)

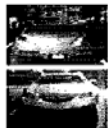
[best of craigslist](#)

2011 acura TL - \$20000 (Desmoines)

Date: 2012-09-02, 1:42PM CDT

[Reply to this post](#) pnshx-3245641364@sale.craigslist.org (Errors when replying to ads?)

2011 Acura TL, 12000miles, (asking \$20,000 firm serious inquiries only)



Internet Vehicle Sales



Sold over the internet



Internet Vehicle Sales



FUTURE

- Law changes. Increased societal acceptance. Different controls over industry; less?
- What about purchasing directly from the manufacturer? Public likes direct contact with manufacturer, ie... warranty, options, history. Current law protects dealer franchisees so they don't have unfair competition.
- Do we need brick and mortar buildings?
- Some title laws say dealer can't sell or offer vehicle for sale w/o having title. This happens everyday when you ask a dealer about a new car that's not on their lot; dealer trades.

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