

Carousel Epistles IV

2022

These are memos that I have written over the years to all my clients.
I thought that I should package the important and still relevant ones into one place.
This is that place.
The memos are listed newest to oldest.
For memos dated before 2022, please see Carousel Epistles I, II and III.

Here are the titles of the documents to be found below.

12/16/22 – Data Security (Part 3)	<u>2</u>
12/9/22 – WSIADA Fall Chapter Meeting – Data Security (Part 2)	<u>4</u>
10/28/22 – WSIADA Annual Convention	<u>8</u>
6/21/22 – Vehicle Licensing	<u>10</u>
6/7/22 – QuickQuote Program Issues	<u>12</u>
4/20/22 – WSIADA Spring chapter meeting	<u>14</u>
3/25/22 – Total Cars Report	<u>16</u>
3/9/22 – Dealer Permits	<u>17</u>
2/25/22 – Carousel Backups (again)	<u>18</u>
2/14/22 – Idaho Out of State Sales Tax	<u>19</u>
2/4/22 – Data Security, part 1	<u>21</u>
1/28/22 – QuickQuote Issues	<u>23</u>
1/13/2002 – Carousel Texting	<u>242</u>

12/16/22 – Data Security (Part 3)

This topic is not going away. Denial is not a river in Egypt.

I have sent out two memos, one in February, one earlier this month, on what the Feds call the "Safeguards Rule".

That is, if you have certain private information in your databases, you must take certain measures to protect it from unauthorized viewers.

The actual Rule is found in

<https://www.ecfr.gov/current/title-16/chapter-I/subchapter-C/part-314>

It is a bit tough to read, or comprehend.

There is a better exposition of the Rule in

<https://www.federalregister.gov/documents/2021/12/09/2021-25736/standards-for-safeguarding-customer-information#footnote-323-p70300>

This document gives the whys and wherefores of how the Rule was adopted.

It is relatively readable, and answers a whole lot of questions that the actual Rule pops up.

I really don't expect any of my clients to actually read this stuff, although you are welcome to do so.

The thing my clients have to decide, is what to do about it.

My staff, as I laughingly call it (specifically Connie and Mario) and I had a long meeting on 12/15, and came to some decisions. What we are most worried about, of course, is how all this affects US, Carousel.

It turns out, not much.

But it does affect you guys, big time.

Previously, I indicated that the first introduction of this Rule to us was in the Front Row for February. I wrote a memo about that.

It turned out that as I was writing my recent memo on this subject, the current December issue of Front Row has yet another two page article on this subject.

And as I went on at length previously, a company named ATTM-Technologies presented an hour long session on the Rule and what they are willing to help you deal with at our last WSIADA Spokane Chapter meeting.

Carousel, while absolutely NOT a company that you want to turn to for help in updating your systems to conform to the Rule, next month (or so) will send out a memo describing four potential solutions to the problem. We are going to call them:

- the Rolls Royce solution -- what ATTM proposes

- the Buick solution -- what a local IT provider proposes
- the Fiat solution -- what you can do more or less on your own and hope for the best
- the Yugo solution -- do nothing and hope the \$40,000 hammer does not fall on your head.

Knowing my clients pretty well, I expect that most will opt for Yugo.

It is your choice.

And, pretty much, as long as nobody hacks into your systems, or nobody points a finger at you with the feds and says you gave out sensitive information, you will probably get away with all this.

Somebody that stays awake nights hoping that he does not get hacked, and that the Feds do not come calling "to help you", might want to consider one of the three other options, even though there is some cost related to all of those options.

Note that if you are a cash only dealership, if you do not facilitate loans for your customers (known in the Rule as a "finder"), do not do Buy Here Pay Here, you are probably in the clear. If you do not have any of the sensitive information that the Rule is trying to protect, which essentially is loan information, then the Rule does not apply to you and you can stick your tongue out at the next FTC agent that comes knocking on your door. At least about this issue.

So, wait for our memo in January, where we will more fully flesh out all the options. You have till June 2023 to implement whatever you are planning to do.

12/9/22 – WSIADA Fall Chapter Meeting – Data Security (Part 2)

WSIADA Spokane Chapter Meeting – December 6, 2022

I usually send out my notes on the WSIADA (Washington State Independent Auto Dealers Association) meetings to all my Washington clients. However, this time, what was primarily discussed applies to all dealerships in the US. Even Idaho. So my Idaho clients are getting this issue too.

The main thing we will discuss is the Safeguards Rule, dealing with data security in your dealership.

I am attaching my previous newsletter on this subject to the end of this document, because you might have mislaid it, or might not remember where you filed it..... Or more likely, not cared about it. There have been some changes made since then, and so some of my comments in that memo no longer are correct. Maybe never were. Anyway, now you may be responsible for more issues than I thought back in February.

You should really care about this stuff. The implementation date has been pushed off from this month to June 2023. If somehow the feds find that you violated one of their rather drastic rules, they can nail you for over \$40K for every count. Per day.

The presentation given this time was by a company named ATTM Technologies, probably based on the west coast. They have created a sweetheart deal with WSIADA members for their consulting services. ATTM has a power point display that can be accessed on their web site, but you need a password to see it. (You can call them at 206 350-2886). A lot of what I will present here was grabbed from that power point. There was an article written in the February 2022 Front Row by some other consultant, KPA Vera, but I have no idea where they are located. There may be some companies here in Spokane that can do this too. Chances are, your people in your dealership CANNOT. Carousell certainly would not know how to go about some of this. So, you are probably going to have to commit some serious bread if you think you need / want to be compliant with this Rule.

Anyway, what is this all about? “This rule exists to protect sensitive consumer information from being accessed by unauthorized people.” Do you need to comply? “Yes, if you connect customers to lenders.” I take that to mean Buy Here Pay Here dealers, and those that arrange loans for their customers with a bank. That probably includes 80% of my clients. About the only clients not included would be those who sell cars for cash only.

To try to know the govt's precise definitions and requirements for all these things, you can go to

<https://www.ecfr.gov/current/title-16/chapter-I/subchapter-C/part-314>

I do not suggest doing this right before bed time.

My biggest question is -- exactly what is "non public" information about a customer. The article tries to define it, but I still don't understand what values they are concerned about. Social Security, certainly, already encrypted in our system. Driver's License, maybe, could be encrypted but is not now. Address, phone number, mistress -- would be a serious rewrite to encrypt that stuff.

This article below is the unauthorized version of that page turner.

The ATTM presentation listed a 12 step procedure for becoming compliant. Note that the above link does not present its information in such a nice way. The ATTM 12 steps fortunately do not require you to stand up in front of your brother dealers and say "I am Dennis's Auto Sales and I am an uncompliant dealer". I will list them out here in capital letters:

- 1 – PERFORM A PERIODIC THIRD-PARTY RISK ASSESSMENT
- 2 – CREATE A WRITTEN INCIDENT RESPONSE PLAN
- 3 – SUBMIT REPORTS TO LEADERSHIP ON A REGULAR BASIS
- 4 – SECURE INFORMATION
- 5 – SECURELY DISPOSE OF SENSITIVE INFORMATION
- 6 – ADOPT A WRITTEN CHANGE MANAGEMENT PROCESS
- 7 – DESIGNATE A SECURITY PLAN LEADER
- 8 – MONITOR, LOG & DETECT
- 9 – MONITOR THREATS
- 10 – PENETRATION & VULNERABILITY TESTS
- 11 – EDUCATE YOUR EMPLOYEES
- 12 – ENSURE YOUR SERVICE PROVIDERS ARE ALSO COMPLIANT

So step 1 already has you shelling out some shekels to a third party company to tell you that you are not in compliance. Actually, if you do read the official document (OD), I do not see that it requires an outside service. My reading, not ATTM's. There are a number of areas where I would read the OD one way, such as what companies with fewer than 5000 customers can ignore, and what ATTM says is required. You will have to read the OD and determine for yourself what you need. Or just hire a consultant. Or a lawyer. Or a translator.

Step 2 asks the question – what are you gonna do if a data breach happens? Or to quote GhostBusters – Who you gonna call? You should think about this before not after something happens. I am aware of two of my clients that have been nailed with ransomware. News of this to your local helpful government agent would probably generate a frowning response for more information, as he sharpens up his penalty pencil.

Step 3 (and the OD) says you should give your reports to the board of directors, as if. Or the owner, who is probably doing this himself.

Step 4 says that data sent over the internet must be encrypted. That is not so bad. What will turn your computers inside out is

a) you have to log onto your computers,

b) you need Multi Factor Authentication to do this,
c) you need Access Control Lists so specific people can only see specific parts of the data. To me, that implies that your computers are part of a domain (None of my clients are).
My friend Mario says -- just convert to a Linux system and you are golden. Good luck finding a DMS for Linux.

Step 5 says delete everything that is 2 years old. I currently pride our system in that it keeps all information For Ever!! It would not be very difficult to delete all deals that are over 2 years, but you would lose a lot of historical data. This also seems to me to conflict with the requirement that you keep all such data for 7 years for tax and other reasons.

Step 6 suggests that when you configure a new computer, that you have a written process. Not a bad idea even without the security issues.

Step 7 is probably another outside consultant.

Step 8 again seems to require your systems to be on a Domain (eg true server, very expensive) which can recognize somebody trying to hack into your computers and will log such attempts. Actually, it suggests that Every connection be logged. And that somebody actually looks at the logs.

Step 9 is more of the same, but also says your anti virus is up to date, your Operating System (eg Windows) is up to date, that you are not using an unsupported version of windows (anything prior to Windows 8.1 currently).

Step 10 is more consultants, who you will pay to try to hack into your computers. Or to just walk in the door at lunchtime and start using one of your computers.

Step 11 is yet more consultants, to educate everybody there now, and everybody you hire, on how to deal with all these procedures that you (more likely, your consultants) created.

Step 12 – that kind of means ME, among others. I have not kept any customer data on my systems for several years, specifically because of this issue. I only grab data when a client is having a problem, or for testing changes. It gets deleted right after that. And even that is probably illegal in this context. And it means your accountants. And whoever else has access to your computers, either on site or dial in.

For my typical client, I see several expensive and possibly impossible issues.

- a) the log in, logging of that, MFA, encryption stuff may require new networks, servers and systems.
- b) You are going to have an expensive consultant on your doorstep several times a year.
- c) Probably have to upgrade all your computers to current OS, and the Pro ver\$ions of that.
- d) I have no idea at the moment if Carousel itself can comply with all this. I am trying to find that out

ATTM suggests that you buy Cyber Insurance. Shephard & Shephard would be happy to sell you this product.

ATTM has, as I mentioned, a discounted rate for WSIADA members, but they are happy to sell their services to non members at full price. To email them, send an email to wsiada@attm-tech.com even if you are not a WSIADA member. I would keep a vial of nitroglycerin tablets handy for any heart attacks that you may have during these discussions. Or a punching bag.

=====

Other business –

A policeman was supposed to show up to talk about reducing dealership thefts, but he got called away to go catch some bad guys.

The Executive Director of WSIADA, Brian Danzel, will take on the job of WSIADA Lobbyist. He will continue as ED.

Rick Olsen will now be Director of Operations, and will be the de facto guy for you to communicate with for any issues but lobbying and electing more Republicans to the legislature.

WSIADA will be lobbying for stronger laws to catch the bad guys and not just let them walk out of jail to go grab more catalytic converters.

The new Legislature is proposing a Used Car Lemon Law that will require all used car dealers to provide a free 3 month warranty on the cars that they sell. WSIADA is against this.

10/28/22 – WSIADA Annual Convention

I had signed up to go to the WSIADA Annual convention, if only to see what Lake Chelan was like. I have never been there. Sadly, my heart doctors decided that getting my chest cut open to fiddle with the wiring, and to drain out a couple quarts of goo would be a better use of my time.

So, I cannot report with any specifics on what was said there. However, WSIADA was good enough to indicate that a few of the power point presentations that were given are available on the WSIADA web site.

Sadly, that web site needs a user name and a password.

Happily, I have that.

Sadly, most of my clients do not.

=====

So, here is a brief summary of what those presentations were about.

For more detailed information, you would need to talk to either the presenter, or to somebody at WSIADA.

There seemed to be two main topics, at least as discussed by the Attorney General's office, and a private lawyer.

1) The AG is again pushing the idea that an AS IS document is not worth the paper it is written on. They zero in on the Waiver of Implied Warranty document, and the AS IS Buyer's Guides, as examples of documents that will not stand up in court if you are sued. For the Waiver to be considered, there must be a documented negotiation between the dealer and the buyer, and the results of those negotiations must be specific, and not just "aint my problem once you buy the car".

Some years ago, I generated a Waiver form that allowed a one line space for the dealer to memorialize these negotiations That is probably not enough space if you are going to follow these rules. WSIADA has issued new forms that give you half the page for this documentation.

The fundamental thinking is, if you sell something, Washington state law says that the thing being sold should be "fit for the ordinary purpose for which goods of the type are used". Which means, that you don't expect a newly bought car to have its engine fall out 100 ft down the road from the dealership on the day you take delivery of it. While you can persuade the buyer to Waive this right, a couple of preprinted pieces of paper are not going to do the job. It is not clear to me just what it actually takes do something that will hold up. I am not sure that the AG knows what this is either. I think they would just like you to take responsibility for selling stuff that breaks. And that, of course, is impossible.

2) They apparently covered a lot of what is legal in advertising, and what is not.

There was something new to me in this presentation. And that has to do with B&O tax and Native Americans. The dealer is exempt from B&O tax if they sell to a Native American AND

- a) the vehicle is on the reservation at the time of sale; or
- b) the place of business is on the reservation; or
- c) the sale is solicited while you are on the reservation.

I am not sure that Carousel is set up for these possibilities.

=====

Normally, I would write a couple of pages on each of these issues, but I was not there to hear the presentations, and all I have are these power points. I would include the power points in this memo, but I probably can't get the permission from WSIADA to distribute them. WSIADA might send them if you ask them.

So, if you have a WSIADA login, you can see the power points at

<https://members.wsiada.com/MIC/static/ForumBase/Topic/6340/2217> --- Brian King, lawyer
<https://members.wsiada.com/MIC/static/ForumBase/Topic/6339/2217> --- Attorney General --
Marc Worthy

<https://members.wsiada.com/MIC/static/ForumBase/Topic/6338/2217> --- Dept of Revenue --
Ken Krous

(The first two were focused on implied warranties.)

6/21/22 – Vehicle Licensing

As you all remember, having carefully read my memo of late April, I said that licensing fees are going up July 1.

I got a bunch of information on this from WSIADA, and then I got some more information from DMV.

The WSIADA information was supposed to be in their newsletter, but I have not seen it yet. It is also supposed to be on their web site, and I think it is.

These two sources may end up at the same place, but the information was presented quite differently.

WSIADA detailed what things were going up, and by how much.

DMV gave me a chart of licensing numbers.

While scratching my noggin about those contradictory numbers, I looked at my existing Licensing chart, and there is a lot of stuff on it that are years out of date, since nobody ever gives me the updated information, and it can be hard to find.

And I called my boat dealer, and asked him if he used my boat chart, and after he got up off the floor laughing he said nope, he hand calculates it.

SOOOO

I have generated a new licensing chart, to be effective July 1.

It does NOT have anything but cars and trucks in it -- no boats, no trailers, no orvs, no motorcycles, no mopeds.

If in the future I can find some information on those topics that I believe, I will put them back onto the chart.

So the design of the chart is much cleaner:

Select car or truck. (actually, the program does that for you)

Select a weight (and the program does That for you also, if you put a weight into the Inventory screen)

Check off a bunch of extra items (TBD, park fee, hybrid or electric, etc)

And you get a number.

So, you are sitting there with bated breath (whatever that is) wondering, "HOW CAN I GET THIS STUFF???"

Simple. Drop a dime, Whistle. Call me.

I will dial in and download a new Deal and a new Quick Quote program, and you will have your

numbers.

The program will automatically switch from the old chart to the new one, when a vehicle has a sell date of July 1 or later.

It is my belief that only a very few of you actually use my license calculator. [think teardrops falling on the screen.]

Most of my clients just dream up a WAG number and add 20% to it, and use that, and will send a check to the customer when the paperwork comes back. If this is you, you don't need this update.

But you should at least enter \$184.25 (or more) into the default license fee box because the licensing has gone up that much (from \$113.25) and that is the minimum fee for an under 4000lb car.

One other little thing. The fee for the Dealer Temp has gone up from \$15 to, wait for it, \$45. So unless you have bought several cases of dealer temp forms, you are going to be nailed with \$30 extra on that little item, which I believe cannot be billed to your customer.

But, as you all know, Washington State is very benevolent towards its small business people, always thinking of their concerns first and foremost, at least after worrying about the homeless people. So since these Dealer Temp fees have gone up, which you generally eat, they have raised the maximum Negotiable Documentary Fee from \$150 to \$200. If you want to do that, after July 1, go into the admin program, defaults tab, and change the Doc Fee default.

So, the gov giveith, and the gov takeith away. You actually get to make twenty bucks after all this settles.

6/7/22 – QuickQuote Program Issues

The QuickQuote program has been around since almost the beginning of time, at least the beginning of Carousel time.

It was designed to give a quick and dirty, emphasize on the dirty, answer to "how much is that doggie in the window" when somebody calls in and asks for the out the door price of a vehicle. The calculations done in the Deal program are the gold standard. Quick Quote is close, but not always a cigar. (OK, these aphorisms may date me somewhat.)

Over the years, clients have grumped that it did not give exactly the same answer as the Deal program. That was because the Deal program had access to more information than the simpler QuickQuote program had. So, as I got beat up on these issues, sometimes I would add another entry value to get the QQ program closer to Deal. And now I have clients telling me that I am asking for TOO MUCH information in QQ.

One of the problems with QQ is -- when you generate a customer in QQ, it does not know what state that customer is in. It assumes that the customer is in the same state as the dealership.

Anyway, it has recently been pointed out to me that if a Washington dealer has an Idaho client, AND that Washington dealer calculates sales tax, that the sales tax calculation does not account for Idaho's tax on the doc fee. Which means the sales tax is off by nine bucks.

Fortunately, most of my Washington dealers do NOT calculate sales tax on Idaho customers. They let the Idaho DMV figure it all out.

But for those that do, I have added yet another widget to QQ, because I have to know what state the customer lives in.

Next to the customer name selection box, there is a checkbox named OutState. IF it is checked, then the QQ program will assume, for a Washington dealer, that the customer is in Idaho. (Even if he is in Montana or someplace else. Less than 1% of my Washington dealers' out of state customers are not in Idaho.)

Anyway, when all this happens, the Out of State sales tax rate will be used (currently 6% for Idaho) and the doc fee will be taxed.

Note that if you are an Idaho dealer, with an out of state customer, checking that box will make the program presume the customer is from Washington. Again, Montana customers have to fend for themselves. So you will get a Washington sales tax.

Note that the Deal program has for a long time correctly calculated all this for Washington dealers, once you told it that this was an Idaho customer.

So, if you want your QuickQuote program to be updated, let me know and I will dial in and

update you. Or you can use the existing Sync program to do it yourself, if you are set up for that. If you do not calculate sales tax, then this update should not be needed. Very few of my Washington dealers do calculate Idaho sales tax for out of state customers. Note that Montana and Oregon do not have a sales tax.

4/20/22 – WSIADA Spring chapter meeting

This is the first non video WSIADA chapter meeting in a couple of years. It was pretty well attended, with at least 27 dealerships represented. However, I saw only one of my clients there. So this memo will give you (for once, really) a short summary of what went on.

The meeting was led by Brian Dansel, the new executive director of WSIADA. His background is politics, being an ex State Senator and ex county commissioner, and later worked in various jobs in the Trump administration.

One of my old bosses used to say that if the only tool you have is a hammer, then every problem looks like a nail. Mr Dansel made it quite clear that he sees his WSIADA job as dealing with the political issues that WSIADA needs to face. And to him, that means electing Republicans to every local and state job that there is.

Election materials and donation pledges were available for your taking. WSIADA as an organization will be donating liberally to these causes. I hope that WSIADA has considered its non profit tax status when doing this.

This meeting was an unabashed Republican party revival, with fire and brimstone for all them there liberals that are currently running the show in the state of Washington.

As such, the guest speakers were:

Jeff Holy, Republican state senator 6th district. Ex cop, lawyer.

Mike Catcart, Republican Spokane city councilman, now running for county commissioner.

Mike Baumgarden, Republican ex state senator, now Spokane county Treasurer.

Josh Kerns, Republican Spokane county commissioner, ex legislative assistant to some republican legislators.

A staff member for Republican Cathy McMorris Rodgers, our US Representative, was on site.

Apparently there is trouble, trouble I say, right here in lilac city.

Those issues are:

- 1) electric cars
- 2) environmentalists
- 2a) recycling
- 3) crooks and vandals, including homeless
- 3a) judges who let these perps out of jail
- 4) mass transit
- 5) and of course, too many darn liberals.

And these guys say they know what to do about all these issues.

For once, I am not going to give you a blow by blow account of what was said.

If you are interested, give me a call.

I will try to be neutral.....

=====

There was a short discussion on some things that really are useful to know about:

- 1) e-permits are going up to \$40 on July 1.

This was mentioned by a person in the audience.

I am not sure where he heard it, but nobody denied it.

So maybe you should buy a bundle of them before that time.

- 2) WSIADA will be opening a store in Spokane,
so that you do not have to order all your stuff from Auburn,
and have your forms and balloons air express shipped at significant cost.
I asked if laser odometer forms will be stocked, and was told yes.
I am not sure that Mr Densel knew WHAT laser odo forms were, though.
I am going to follow through on this.

And also see if more such forms can be made laser ready, rather than just the odo form.

- 3) A member of the audience said that repo rates are up 6X.

And with higher interest rates, that number is expected to go up.

- 4) A member of the audience (I did not get his name) was unanimously elected President of the Chapter.

I did not get the impression that he lobbied very hard for the job.

Or even knew he was running for it.

3/25/22 – Total Cars Report

For some reason, around this time of the year, I get a bunch of calls from clients about a report that lists how many retail and wholesale vehicles you sold last year/month/whatever.

Carousel does have such a report.

It is 1207, the Total Cars Sold for a Time Period.

3/9/22 – Dealer Permits

I assume that most of you know that Carousel supports multiple dealership permits.

If you look at the Dealer table (in Admin->tables) you will see that we have entry points for
Motorized vehicles (the default)
Wholesale (kind of obsolete now)
MotorCycles
Trailers
Boats

Sadly, we did not put in an entry point for 5th wheels, which is sort of in its own class.

The Washington Vehicle Title Application form (which replaced the Certificate of Ownership form years ago [which replaced the previous Washington Vehicle Title App even more years ago]) that we generate does make an attempt to distinguish between Cars and Trucks. But if you had a motorhome, 4 wheeler, motorcycle, etc, it did not do as good of a job.
That has now been fixed.

But you should know that we have four different forms to choose from, depending on what you are selling.

- 1) most motorized vehicles that run on roads will use Carousel form 60033.
- 2) Boats must use the Wa Vessel Title Application, Carousel form 60104.
- 3) most trailers will use the Carousel motorized vehicle form 60033
- 4) BOAT trailers that are sold as part of a package with a boat should use form 60034, which understands that this trailer is part of a boat sale.
- 5) 5th Wheel trailers have their own permit number, which we do not have the ability to enter at the moment. That will take a change to our database. We have created a brand new Carousel form number 60035 that will embed your permit number for this transaction.

For at least 10 years, we have supported a way for a boat and trailer to be entered under the same stock number. And for the special information boats need to be entered (2nd engine ID, etc). Please see our document titled "F2: Boats and Trailers" which describes how to set up a boat/trailer as one stock number. The Vessel Title App and the 60034 form both assume you have entered the required information in that format. It is kind of weird, but to do it right, we need to again, modify the database. (And that is a big deal, yadda yadda yadda.)

If you need help to set up this stuff, please call us.

2/25/22 – Carousel Backups (again)

You may have read that there is a small war going on in Eastern Europe.

We know that the Ruskies have started cyber attacks against Ukraine.

Unfortunately, sometimes these attacks can have collateral damage to other parties not involved in the issue.

Also, with the Russian population all stirred up at home against the west, especially us, it is very possible that some group of hotheads in Russia will start to send cyber attacks directly to the US. After all, most ransomware and other such cyber issues already originate in Russia or its allies.

You may think that we here are too small to be targeted.

If you have a horde of Russian Rambos sending out cyber problems randomly, we could be.

So as I often preach, please

1) create backups often, at least weekly.

2) once the backup is created on some device, take that device off line.

Even backup devices, eg flash drives or external disk drives, can be hacked if they are left connected to the computer.

3) rotate the backup between two different devices, so that if one device gets hacked, at least the other one might still function.

For a video on how to run a backup for Carousel, please see

Utility -- Backup

<https://www.youtube.com/watch?v=CmhIbvc96E0>

Ideally, your backup device should have a read only switch.

Sadly most do not, and those that do are much more expensive.

I use a product from a company named Kangaroo.

When I come to your site to install Carousel, the flash drive read only switch is on.

So that if YOU have a virus, it will not find its way onto my device and later infect some other client of mine. Or my own development systems.

I also make my personal backups on writeable CDs, which once written, become read only.

Most CD drives are capable of writing to these CDs, which cost maybe a quarter each.

We (not me, but somebody like Mario) can always reinstall your computer operating system (Windows).

We have no way to reinstall your database data without a backup.

2/14/22 – Idaho Out of State Sales Tax

A client recently said that when he is selling a vehicle to an out of state customer, and when he sets the quick quote sales tax to 0, that it still bills non zero sales tax on the Doc fee.

In Washington, if a Washington dealer sells a car to an Idaho customer, even though he does not bill sales tax on the car, he must bill sales tax on the doc fee and submit that fee to Idaho.

So I assumed that the greedy Idaho tax man would want to bill sales tax on the doc fee for a vehicle sold to a Washington customer, even if not on the vehicle itself.

To find out what the real story was, I asked the Idaho tax guys.

I got the following answer:

no. Idaho includes documentation fees in the taxable sales price of a car, however a documentation fee wouldn't be taxable in Idaho unless it is required as part of the sale of tangible personal property. Since the customer will be taking the car to Washington to pay tax, we feel that we can't tax the documentation fee because it is no longer attached to a taxable sale of tangible personal property.

Daniel Reines | Tax Research Specialist

Idaho State Tax Commission | Taxpayer Resources Unit

Daniel.Reines@tax.idaho.gov | phone: (208) 334-7505 | fax: (208) 334-7690

So my client was correct -- Quickquote should not be billing sales tax on the doc fee for out of state vehicles.

My first thought to fix this was to create an extra sales tax entry box, as the Deal program has. But there is no real good place to put that, and it will confuse people (as the extra box in the Deal program does).

So now, I have modified the Quickquote program to link the two sales taxes together. If you zero out the vehicle sales tax, either manually or in the defaults, then the doc fee sales tax will zero out also.

If you are wholesaling a vehicle in state, there is no sales tax on the vehicle. There probably would be on the doc fee to a wholesale customer, but I presume that you do NOT have a doc fee on wholesale deals.

This answer does suggest that if you are billing sales tax on the vehicle for an out of state customer, that the doc fee should be in there also ("taking the car to Washington to pay tax").

This would probably only apply when there is a bank involved in the transaction.

I have not modified the Deal program. It already does have the two boxes. So if you start the deal with the Deal program, and sell to an out of state customer, zero out both boxes.

To make things a little simpler, zero out the Regular Sales Tax item in the Defaults screen of the

Admin program.

Note that this affects only Idaho dealers.

Let me know if you want me to download a revised quickquote program to you.

2/4/22 – Data Security, part 1

The latest issue of the WSIADA Front Row newsletter has an article titled "FTC Expands data security requirements, impacting dealers".

It does a reasonable job of explaining the Safeguards Rule as it applies to car dealerships. Sadly, only 10 of my 70 clients are WSIADA members. And most of those 10 clients probably had their eyes glaze over when they read the article. But, you have the Feds pushing this Rule, so eventually its contents will have to be somewhat understood by the people to whom this rule applies.

If you don't have an issue of Front Row, you can get the full monty by going to <https://www.ecfr.gov/current/title-16/part-314>
I highly recommend reading this just before bed time. It is guaranteed to put you to sleep. I did not write it.

So, who is covered?

The short answer I think is: any dealership that does Buy Here Pay Here, or who has a direct relationship to a bank for generating loans for their customers. (Regarding this latter -- do you print out LAW forms for your customers? If yes, you are part of this.)

Mostly it wants you to make your computers and files secure.
The files part is likely covered. Dealers are required to lock up their deal jackets in metal filing cabinets.
The computer part, not so much.

- a) do you require a log in to access such data?
- b) do you let "unauthorized people" ie "YOUR KIDS" use your business computers?
- c) do you transmit such data over the internet in an unencrypted form?
- d) do you have an "information security program" overseen by a "Qualified Individual"?

Part C I think is covered for our clients. Anybody that is using a VPN to connect two locations is covered because VPNs are all encrypted. Anybody that uses Teamviewer is covered because its communications are also encrypted. Internal networks are exempted.

Part D above is the real stickler -- who has time or people to screw around with this sort of stuff? The rules get really hairy about what this person has to do -- written reports to the board, penetration testing, and on and on.
THE GOOD NEWS IS -- if you have less than 5000 customers, you can essentially ignore most of this Part D, except that there does have to be somebody appointed as the Qualified Individual. Does the 5K customers mean active or ever? I don't know.

Some years ago, when clients were not proactive in doing their backups, I would keep some encrypted backups of client data on my computer. This did come in handy a couple of times

when client systems crashed. After I became aware of this security stuff, I destroyed all the backups that I had, and do not collect any more. If I need a copy of your database to debug something, I always ask first, and when I am done, permanently delete (that is, does not go to the recycle bin) that copy. So now, I hope that you do make backups of your data, and store them securely off site.

You should know that if you enter somebody's Social Security Number into the database, it will be encrypted.

Driver's license info is not.

There is not much else that I keep in the database that this Rule would consider private. I presume addresses can be found in a phone book, or on the internet. (I tried to keep my home address secret, it is not in the phone book, but -- search on the internet and there it is, along with just about everything else about me except maybe bank account numbers.)

The WSIADA article, under the section "What should you do?", says you should "Seek out your legal counsel to review your current policies and procedures". Yeah, right. As if somebody that sells 10 cars a month has "legal counsel" on tap. Or even has "current policies".

So, realistically, what should you do?

1) Read the above FTC Title 16 Chapter 1 Subchapter C Part 314 thing. It is only about 500 lines long, although as compared to most mystery novels, not as interesting. If you get the Front Row, read that. (Because of copyright stuff, I can't just send you a copy of the article.) The helpful people at WSIADA may let you see a copy if you call them and ask real nice.

2) keep your Kids off the business computers.

3) keep your Customers off the business computers.

4) make business computers require a log in, and have the computers automatically lock the screen if the computer is not being used for some period of time (like maybe an hour).

5) write up something to designate some poor schmuck in your organization the Qualified Individual, and make THAT person read the FTC article.

I am not a lawyer, or schooled in computer protections, so there are only a few questions on all this that I would be able to answer.

My IT guy, Mario Diaz, might be of more help when it comes to the computer side of this issue.

1/28/22 – QuickQuote Issues

I am making a change to the QuickQuote program.
There is not a bug, in that it is not doing anything wrong.
However, cockpit error could cause some problems, and I want to eliminate that possibility.
You will get the update the next time I visit you.

In the meantime, please do not leave the QuickQuote program running with a live vehicle data for long periods of time (eg: hours and days).

=====

QuickQuote tests if the vehicle is sold when it starts up, and will not process a sold vehicle.

But some people bring up QuickQuote and leave it for days, and then click update and exit.

However, the Deal program could be used during that time to enter data and sell the vehicle.
In that case, if an update is done later in QuickQuote, that will overwrite any data that the Deal program had written to the database.

Remember, the last guy standing wins the database race.

So now, we check if the vehicle is sold just before doing an update, and abort the program if that is so without updating.

That is still not a perfect solution, since a Deal program could change data, NOT sell the vehicle, and then QuickQuote could still nuke what the Deal program did.

Actually, as a general rule, you should Never have the same stock number open in two programs on the same or different computers at the same time. But I have no easy way to detect or prevent this.

1/13/2002 – Carousel Texting

As many of you know, I only have a cell flip phone, which while it can receive texts, is all but impossible to send them.

The number I give out (509 926 8848) is a land line, which will not do texting at all.

I have a way to communicate by text if that is your thing.

If you send a text to 408 290-0207, I will get it (eventually), and be able to respond to it.

Please include your dealership name if you send something, otherwise it is difficult to know who you are.

Why the 408 area code and not a 509 one?

That is what the company I am dealing with (textfree.us) gave me.

Seems all the 509 numbers were taken.

You would think that all the San Jose numbers would be also, but there you are.