



Federated Insurance's Claim of the Month — Could it happen to you?

A pair of potential customers impersonating local celebrities requested a test drive of a high-end vehicle. Before giving them the keys, a sales representative performed an online search, which revealed that the customers were not who they claimed to be. The information they provided, which included email and physical addresses, was fabricated. The dealership declined to release the vehicle for a test drive.

LOSS AVOIDED: \$84,000

The possibility of a big sale can cloud the judgment of even the most experienced professionals. That's why it's important to do your research if something seems off. A simple online search is quick, and can be done without alerting customers. False-pretense schemes, in which fraudsters use fake information to get a business to willingly part with their merchandise, can be difficult to detect. But if you keep your eyes out for a few red flags, you can save your dealership a lot of headache — and money.

- If something seems fishy, it's worth checking out.
- Check IDs of all customers who test drive your vehicles. Make sure photos match.
- If IDs are temporary, require your staff to do extra research to verify the information is valid.
- Run a quick web search if the address the customer gives is not from the local area.

Fraudsters can be crafty, so doing extra research doesn't guarantee that you can avoid a false-pretense theft. The key to reducing your susceptibility to crime is making it harder for criminals to succeed. So, be rigorous in creating and enforcing your policies and procedures — and always trust your gut. If something *seems* off, chances are good something *is* off.

Federated Mutual Insurance Company is recommended by 19 state and national auto dealer associations for customized insurance programs and value-added risk management services, such as mySHIELDSM, the Risk Management Resource Center, and the Federated Employment Practices Network[®]. Visit federatedinsurance.com or contact [your local marketing representative](#) for resources you can use to create or enhance your own risk management program.

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