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Inconsistent signatures

by Gil Van Over

Inconsistent signatures are a crime.

As a dealer, you shouldn't have to tell an employee it is not permissible to commit a crime, yet it happens every day in a dealership somewhere in the country.

Most of the time, inconsistent signatures are not put onto forms in the deal file in order to further an ill-begotten gain for some Salesperson, Sales Manager or F&I Manager. Most of the time, inconsistent signatures are affixed onto forms in order to meet a compliance requirement.

And there is the rub. Because inconsistent signatures are not generally found on retail contracts or lease agreement, some Dealer Principals or General Managers don't see the harm.

Types of Inconsistent Signatures

There are generally three types of inconsistent signatures: an employee signs a customer's name, an employee allows someone else to sign a customer's name or an employee uses the term "Signature on File" instead of obtaining a customer's signature.

All three are forms of forgery and a criminal offense.

An employee signs a customer's name – this usually happens when the employee fails to get the customer's signature on a document, a menu, for example. The employee knows the dealership has a rule that the F&I Manager is not paid on a deal unless there is a menu in the file, and rationalizes that the customer knew she was purchasing the service contract, so he signs her name to the menu.

Forgery.

An employee allows someone to sign a customer's name – a prime example here is a spouse signing a credit application for the other spouse. The employee knows that the deal cannot be submitted to the lender without a signature on the credit app and allows the spouse to sign for the other spouse. The employee rationalizes that the spouse probably signs the other spouse's paycheck to deposit it into the bank, so what's the harm?

Forgery.

Signature on file – an employee generally uses this method when he forgets to get a form signed and again rationalizes that the customer wouldn't mind. After all, the customer signed the contract and knows what the payments are.

Forgery.

A dealer must make it known that these three types of inconsistent signatures are not acceptable and make it an offense that could lead to termination. Regardless of the form, regardless of the motivation.

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