

Automotive News

Texas BMW dealership catches alleged fraud using face ID technology

The suspect had already been run through the Gather system which allowed the dealership to connect the two fraud attempts.

- Paige Hodder | May 25, 2024



Brandon Lee, right, Autobahn BMW's new car sales manager with a police officer.

The staff at Autobahn Fort Worth in Texas thought they were prepared until an alleged fraudster with a synthetic identity almost proved them wrong.

On May 1, a woman came into Autobahn Land Rover Fort Worth to buy a used Cadillac Escalade with an approved loan. Autobahn's insurance and ID verification system, Gather Technology, flagged the customer as possibly fraudulent. When the salesperson mentioned problems with insurance, the customer disappeared. A week later the same woman went to Autobahn BMW Fort Worth to buy a BMW M4 Competition.

Again, she already had a loan but was flagged by the Gather system. Autobahn alerted police, who arrested her when she came into the store, said Brandon Lee, the store's new-car sales manager.

The potential fraud at Autobahn BMW had not been caught by lenders or the dealership's typical anti-theft measures, such as an Office of Foreign Assets Control search, Lee said. It was because the woman had been run through the Gather system that they were able to connect the two fraud attempts.

The woman provided two licenses attached to different synthetic identities. Gather matched the faces on the IDs and caught the different names.

An investigation revealed she was allegedly paid \$2,500 by a fraud syndicate to steal the vehicle, Lee said.

To see the system work proactively "was just an unbelievable high," Lee said. But "when we discovered that we had had a car stolen two weeks prior to that, it went from elation to devastation."

The dealership's investigation after the incident revealed Autobahn BMW Fort Worth had lost a car to fraud two weeks earlier. Autobahn Fort Worth had not had much trouble with fraud in the past, said group President Brendon Harrington. But this incident taught him to be more prepared.



Fraudulent licenses used at Autobahn Land Rover Fort Worth and Autobahn BMW Fort Worth.

Building a fake person

Synthetic identities are different from traditional identity theft. They are compiled using real information - names, insurance, Social Security numbers - pulled from different sources to create an entirely fake person.

Synthetic identity fraud is on the rise. In the first half of 2023, manufactured identities had access to \$1.8 billion in automotive loan credit, up from \$869 million in the first half of 2021, according to TransUnion.

In the age of synthetic identities and technology backed crime syndicates, dealerships, lenders and insurance providers alike need to step up their game to combat auto finance fraud, Harrington said. That is especially true as digital retail and cross-state transactions become more popular, he said.

Since the incident, Autobahn Fort Worth has stopped three other potentially fraudulent deals using Gather. The investigation into the group allegedly behind the fraud is ongoing.

Layered identity verification

Gather Technology, based in Fort Myers, Fla., has about 35 customers and is growing. As more dealers encounter fraud and experience losses, more are realizing the importance of robust fraud protection, said Ken Luna, adviser to the board at Gather.

“Dealers have a very bad false sense of security right now,” Luna said. “They have all these tools that the fraudsters are doing circles around them right now.”

Autobahn Fort Worth adopted Gather in part as a fraud check but more to expedite paperwork and smooth the insurance verification process. Now, Gather is an essential part of the fraud-protection process at the dealership, Lee said.

Gather employs a layered ID verification system that does not make judgments based on any single element, Gather CEO Jim Maxfield said. Maxfield, a former submarine officer in the Navy, used the metaphor of sonar to describe Gather’s approach to fraud protection.

“You hear something in an area that does not make sense. And then you hear something else that does not make sense,” he said. “You start getting enough independent data points until you know there is likely something right over there. And then you start focusing your attention on what’s happening in that particular sector.”

Learn more about Gather today.

Scan the QR code or click the link below to schedule a meeting:



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