



## *Straw Man*

*How I bought millions of dollars' worth of luxury cars and got blacklisted by Jaguar Land Rover, Mercedes, and Porsche. ||||| by Travis Simpkins*

In the summer of 2013, I was an unemployed ex-con, twice over, living next door to my mother-in-law in a house with no floors. Being June in Georgia, it was

hotter than two hamsters farting in a wool sock.

Work was rare. Even my dog looked disappointed in me.

Something had to happen. Soon. So I bought a new Porsche Cayenne.

Then in August, I bought a new Range Rover, and another of each in September. A Rover plus a pair of Porsches in October, and in November, I paid cash for six more luxury vehicles. Before my Thanksgiving leftovers had disappeared from the fridge, I had purchased more than a dozen vehicles and spent nearly a million dollars. My wife was happy because I finally put floors in the house (laminates, but they looked damn good), and even my mother-in-law was less ornery after I paid back the bail she posted for me earlier that year.

But my new lifestyle wasn't all champagne wishes and caviar dreams. On Christmas Eve, I woke up on a bench in the Charleston, South Carolina, airport, hung over, with pieces of a vending-machine Moon Pie stuck to my shirt. I had been holed up in a La Quinta for days, hoping against hope that a transport truck would deliver my new Range Rover to the local dealership. There was an eight-month wait on them then, even if you were a Kardashians, so I kept telling myself it would be worth it. But as the stockings were hung by the chimney with care, it became clear that I had a better chance of Saint Nick himself delivering the Range Rover. So I paid cash for the next flight back to Atlanta, which didn't leave until Christmas Day. When I got to the front of the security line with no luggage and a six-figure cashier's check, the TSA agent had some questions. I'm sure you do, too.

**I** explained then, as I will now, the details of exporting luxury vehicles to China's gray market. Keep in mind that I have only a state college education, the first two years of which were earned in prison.

Though still far from a true democracy, China has adopted many of Adam Smith's economic principles, creating something of a meritocracy and laying the foundation for the Chinese version of the American Dream. Flush with wealth, the Chinese have also taken a shine to cars—big ones, with lots of leather, executive rear seating, and panoramic sunroofs that open up like a Colorado sunrise.

But China puts a heavy 25 percent tariff on new-car imports, in part to encourage manufacturers to build cars in its country. Combine this with car companies charging steeper prices for luxury vehicles there than they do in the U.S., and it is easy to see how exporters can turn a profit, even after shipping across the ocean and paying the likes of me. For example, the current base price of a new Range Rover is \$88,345 here, but it starts at 1,518,000 yuan in China, which is about \$240,000.

See, I wasn't keeping any of these cars. I was buying them for a company in San Diego, which was fronting me the money. I was a strawbuyer, the bottom rung of the ladder, kind of like a multilevel marketing recruit but without the ambition. It is slightly more glamorous than the life of a roadie or a towel boy, but only just. Important—critical, even—but not in any individual sense. In a band, I am the guy with a tambourine. Or maybe a cowbell.

The TSA guy listened to all this before he ran a background check on me, which probably raised a few eyebrows, due to my criminal record. But he wished me well and gave me his number, saying that this whole export business was something he was interested in, and that working for the TSA on Christmas Day sucked.

There are many ways for someone without education, experience, or ingenuity to make money in America. You will not get rich day-trading or flipping houses. Bitcoin? Bless your heart. But an enterprising individual can make \$10,000 this month buying luxury cars. You need a heartbeat, a driver's license, and that's about it. It is not as simple as it sounds, but it's not that hard, either. The manufacturers and their dealers have worked to design a foolproof system that will prevent you from buying a car to export to another country. Foolproof never works, though, as it underestimates the ingenuity of the fool.

Rewind back to the old, broke, and unemployed me on the porch. Hot. Out of ice, Coke, and most everything else. Even running low on Ten High. An old friend, always her own kind of trouble, says she'll pay me to ride up to Tennessee with her. All I have to do is take a check into the Porsche dealership and sign the purchase documents. After a few months without work, I had grown comfortable doing nothing. But a half gallon of Ten High runs \$14.99, and \$750 would buy . . . 11 million gallons? I was drinking early that day.

At the Porsche store, things seemed to go well, considering I was prom-date drunk. I remained upright, produced the cashier's check, and signed. "My boyfriend is going to buy me a Cayenne so I won't tell his wife about us," my friend lied. She had arranged the deal the week before. "Y'all don't ask him any questions or take so long that he sobers up."

We drove the Porsche to a storage unit a few miles away. I signed a release for the truck driver who would pick up the Cayenne and left the keys and paperwork with the Go Store It manager. I got my \$750.

When the driver of the multicar transport truck pulled off the expressway, he knew he was picking up a new Porsche

Cayenne that, according to his bill of lading, would wind its way through the Appalachian Mountains to the port in Baltimore, Maryland. After U.S. Customs and Border Protection verified that it was not stolen, presumably it would then be driven onto a roll-on/roll-off vessel and sail to China. The truck driver, however, seeing the Porsche dealership, did the natural thing and pulled in. Whereupon he presented his papers and advised somebody that he was there to pick up Travis Simpkins's new Cayenne.

If you think that you have the right to sell a car you own to whomever you like, you are absolutely correct. You also have the right to not sell it, which is why luxury-car dealers—BMW, Jaguar Land Rover, Mercedes-Benz, and Porsche, specifically—refuse to sell new cars to known or suspected exporters and maintain blacklists to prevent the likes of me from doing what I had just been caught doing.

In short order, I received a phone call from the dealership's general manager. He was angry. He had reason to be. I had signed a document promising not to export the car and agreeing to pay \$8500 if I did, a piece of paper I quite obviously regarded as legally binding as a pinkie swear. But if Porsche caught him in bed with me on this sale, the dealership could possibly be fined even more than that or be punished in other ways, like having its allocation of new vehicles reduced.

We both said some regrettable things in an email exchange that followed. He indicated he would not be processing the paperwork on the Cayenne, I would not be getting a title, that I was an exporter, and he knew it because the truck driver had shown him the bill of lading. I informed him that he had already committed a criminal act, which may or may not have been true since I just made it up. He demanded that I return the Cayenne immediately, with no miles on it. I asked him if he was unfamiliar with the perils of rolling back an odometer. Had he not seen *Ferris Buehler's Day Off*? We both threatened to have the other thrown in jail. Southern jails being, well, southern jails, we both knew that while I would be catching up with old friends, he might discover exactly what happens when the rabbit gets the gun.

Mr. General Manager's parting blow was that I hadn't heard the last from him. He was right: A fantastic gift basket from Blackberry Farm was delivered to my house, courtesy of the dealership. Apparently the GM forgot to let his marketing department know. But he did FedEx the tag office in Georgia with the deal paperwork. I don't know where the law fell on

our transaction, but those jelly jars were so good they ought to be illegal.

I made friends with my first Land Rover sales consultant about a month after buying that Cayenne. Let's call her Ashley. She was as pretty as a homecoming queen and not much older. She loved *Garden & Gun* magazine, which she complained was always stolen from the lounge, so I bought her a subscription. A dealer's lounge is a nice place to spend an afternoon. This one smelled like cedar and summer camp, and it had something like 17 different Keurig coffees, plus pastries and a staggering variety of granola bars.

Just across the street from Ashley's Land Rover store, the same dealership chain had a Porsche showroom with a similar lounge. I was relaxing there, in the process of buying another Cayenne a couple weeks after she had sold me a Range Rover Sport, when in she walked with her sales manager. I tried to hide behind one of those big fake plants, hoping they'd leave before the Porsche manager came back with my keys and bill of sale. I eat when I'm nervous, which, aside from making me improperly sized for hiding behind anything, led to my devouring quite a few granola bars while peering through the leaves.

It worked out okay. I got the Cayenne, though I paid the price on that one later in the evening when the snacks turned on me. And so did that dealer chain eventually, but only after I had bought more cars from them. I am not banned from their property, but I'm definitely not welcome there today. Screw 'em. They never even sent me a gift basket.

**A** straw buyer typically has the shelf life and career trajectory of a Trump appointee. Cash purchases are difficult, as they set off all the alarms for a dealer, but finance purchases present the problem of having multiple loans pending at once. It's tricky. I do not know what kind of noises U.S. Customs and Border Protection makes in verifying that a car is cleared for export, but it must tell someone your car is going swimming. Because when I went back to dealerships to buy more cars, most of the time I was politely told that I had been identified as an exporter. If you are clever, quick, or lucky, you might get three on the boats before you're blacklisted.

I did better because I was, um, creative. What's the statute of limitations for fraud, anyway? Plus I did some recruiting and some management. Exporters always need an operator. When your business



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model involves handing \$100,000 checks to people who answer a Craigslist ad, all kinds of things can happen.

Deals were most vulnerable just before delivery, when the dealership's finance and insurance department got the paperwork for final sign-off. I would head to a municipal airport close to the dealer and call the sales manager with a live air-traffic-control feed playing in the background from my tablet. I'd ask if he could send a car for me. (I had actually driven there in a shit-box rental, which I'd stashed in the airport parking lot.) I'd then go stand next to one of the pretty planes to wait for the salesman to pick me up. Little things like that go a long way. I suspect some of the people who were selling new cars to me saw through my deceptions but did the deals anyway just to make their numbers. I can't be sure. It's hard to pull the wool over a car dealer's eyes, but if you give him a bag of wool, he usually takes it from there.

A single car can earn a straw buyer anywhere from \$500 to \$7000 in commission. It's enough to take the kids to Disneyland but nothing you can build a career on. At the beginning of 2014, I did receive a 1099

for \$30,500 from the company in San Diego. And though I continued cowboying around the Southeast trying to buy cars that year, success was fleeting. The jig was well and truly up when a Land Rover dealer refused to sell my mom a vehicle in 2015 because our last name set off a DEFCON warning. I haven't bought a car for export in almost two years, although I still have my ear to the ground, so to speak.

While I was lyin' and buyin', there was also the specter of getting into more serious trouble. It was during this time that the manufacturers had convinced the feds to go after our little industry, charging straw buyers and exporters with fraud and contending that these were illegal exports. Secret Service and Homeland Security agents were using civil forfeiture statutes to impound cars and freeze bank accounts, sometimes with the help of local law enforcement. As with any police crackdown, it was also a scare tactic; one non-export agreement I signed even mentioned terrorism and "threats/risks to U.S. national security." In 2015, federal prosecutors got called off the cases, many of which were settled with the return of the seized cars and money.

That same year, the Chinese government endorsed the gray market by creating a program that makes it easier for Chinese dealers to bring in vehicles directly from foreign markets through its free-trade zone. So-called parallel imports accounted for 14 percent of the cars imported into China last year. I imagine this makes auto executives reach for whatever they reach for in times of trouble. Maalox? Scotch? Someone's throat?

There are a dozen exporters who will hire you today. Google will get you to them, and if you need more help than that, you are not cut out for the business. What they'll tell you is the same thing I will: There is probably a Mercedes dealership close to you, and that dealership probably has a black GLS450 with a panoramic sunroof and an MSRP below \$83,000. Go there. Point at the car. Say you want to buy it. Get a sales agreement with a total drive-out cost on it. Good luck; you'll need it.

If you get that far, I'll meet you around the corner with a cashier's check. I'll give you \$2000 and another \$1000 when you send me the title. By the time the car gets to the port, you and I will have... well, I'm not sure. Helped move the needle on the trade deficit? Not hardly. Participated in the arbitrage that keeps free markets honest? Maybe. Split \$6000? Absolutely. ■