

# Dialogue

Preferred  
Dealer  
Protection

Cost Control Through Loss Control

## Deadly Prescriptions

Poisonings have become the fastest-growing cause of accidental death in the United States. Fatalities from accidental poisoning have tripled in the last 10 years, reaching 20,000 in 2004.

Prescription drug-abuse fatalities increased from less than 3,000 in 1999 to over 7,500 in 2004. **Most of the victims were working-age adults** abusing prescription medication, not children drinking household chemicals.

Prescription painkillers have become the drug of choice among substance abusers, with an estimated 2.5 million Americans using them for non-medical reasons. Most of these are people 25 to 64 years old.



Working adults are abusing prescription medication instead of illegal drugs because they are “undetectable.”

Many prescription drugs do not show up on workplace drug tests. Even if they do, the employees can simply state they are on prescribed medication.

The drugs methadone and oxycodone are the most common substances found in poisoning fatalities. OxyContin, Percocet and Vicodin have all become very popular. If these drugs are taken as prescribed, there is little chance of addiction or poisoning. Patients, however, go to several doctors to obtain multiple pain prescriptions to address their emotional or physical addictions and end up in hospitals and mortuaries.

This raises important questions about employees that abuse medication on the job. Are they a danger to themselves and others? How are the quality and quantity of their work affected? Can they operate machinery or a vehicle safely? Can they complete their tasks accurately? Fill in data correctly? What about being tardy or absent more often? Are they depressed or not as willing to follow safety rules?

For the frontline supervisor, any

substance abuse, whether drug or alcohol-related, is a major concern. A basic drug policy that provides procedures, education about substance abuse and testing can help employers manage the problem on the job. Sometimes a work-related injury leads to substance abuse; maintaining an excellent safety program can therefore pay off in lowered risks of addiction as well as fewer accidents.

Employers should be aware of this growing problem. According to the Department of Labor, the following signs of addiction may be displayed by a substance abuser at work:

- Emotional: aggression, anxiety, depression and paranoia
- Behavioral: excessive talking, impaired coordination, lack of energy, slowed reaction time and poor motivation
- Physical: chills, sweating and weight loss
- Poor performance: missed appointments, repeated mistakes and unexplained absences

There are no easy solutions to this growing problem. However, your being aware of an employee’s change in behavior could protect them and fellow employees from injury if you are prepared, recognize the potential danger and have drug abuse and treatment policies in place.

Abbreviated from “Prescription for a Deadly Addiction,” NSC Safety + Health magazine, June 2008.

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# Investigating Accidents

Investigating accidents is essential to prevent their recurrence. By examining each incident, you can uncover the underlying hazard and modify your safety policies to avoid the next loss.

Preventing losses is the purpose of your safety program. When an accident occurs in spite of your precautions – operating procedures, rules, inspection, job training and so on – it indicates a failure has occurred and a review is in order.

In addition to providing an opportunity for managers and supervisors to strengthen safety procedures, investigations demonstrate to the employees that management cares about their well-being.

## Get Started

The first step is to determine the facts – what activity preceded the accident, how the accident occurred, and what actions were taken following the accident. Once these facts are established, you can conduct an effective review.

### Practice Accident Prevention.

- Every employee should know that 98% of all accidents are preventable.
- Every driver should understand accident prevention and defensive driving concepts.
- Every employee should be trained in on-the-job safety procedures.

It is not the purpose of an accident investigation to determine fault, but rather to determine what corrective actions are necessary to prevent a recurrence.

To determine the cause(s) of an accident, you must know the who, what, when, where and why of the occurrence. Therefore, each accident should be investigated by someone in authority who is familiar with the equipment and processes involved.



The investigation should take place immediately; delays will obscure facts.

For guidance in accident investigations see “Investigating Accidents” in the “PDP Loss Control Manual”.

## Identify the Elements

The supervisor who blames all accidents on carelessness is no better than the mechanic who attempts to repair a vehicle by kicking it. Neither understands the cause of the problem and therefore cannot supply the remedy.

There is nothing mysterious about accidents. Your operations can be analyzed for defects just like a car. Below are the five elements of an accident:

- **The Agency:** The tool, material or item of equipment (or part thereof) most closely associated with the injury.  
Example: Drill bit, grinding wheel, hammer or wrench.
- **Accident Type:** The manner in which the injured person made contact with the agency involved in the accident.  
Example: Struck by, slipped, or fell; caught in or between; exposed to temperature extremes; struck against.
- **Unsafe Condition:** The condition of an agency (object) that, if left uncorrected, is likely to result in a loss.  
Example: Oil on floor, compressed gas cylinders not secured, exposed drive belts, electrical tools not grounded, insufficient illumination.
- **Unsafe Act:** Any deliberate or unknowing violation of a loss-control procedure that may result in an accident.

Example: Not wearing protective equipment when required, using improper tools for the job, lifting too heavy a load.

- **The Personal Factor:** The reason for the person’s unsafe action or practice.

Example: Lack of knowledge, disregarding instructions, emotional upset, physical handicap.

Once you discover the unsafe condition or act which prompted the accident, you can determine the underlying cause and take corrective action: for example, modify a procedure or provide additional safety training.

## Common Errors in Analysis

Analyzing accidents is not difficult, but it does require a commitment to find the true cause. Be on guard against these mistakes:

- Not identifying an unsafe condition or act. Every accident is caused by an unsafe act and/or condition. If you did not find either, you have failed to keep asking “WHY”.
- Assigning causes which are too general. You need a specific cause in order to take corrective action.
- Not identifying the underlying cause. Once you discover the unsafe condition or act, you need to probe further to discover the underlying cause. If an employee were to sustain an injury by slipping on antifreeze spilled by a technician, the cause would be failure to clean the spill.

It should be determined how the spill occurred and why it was not cleaned up right. Discovering the cause of each accident and preventing the next one takes a little time in the short term, but provides a long-term benefit to your dealership’s employees, customers, the general public – and your bottom line.

## Claim Summaries:

### Secure but GONE

Picture a beautiful, high-end vehicle with expensive high-profile tires and wheels prominently displayed on your front lot. One dealer kept such a vehicle secure behind three-foot-high steel poles and locked gates, with wheel locks on the rims. Although it would be difficult to get an entire vehicle off this lot, vehicle parts are another story: someone broke the window, took the wheel lock key out of the glove box, and stole all four rims and tires.

In a separate incident, a customer's vehicle was sitting on the back lot in a fenced area. Again a thief broke the window, took the wheel lock key from the glove box and stole the wheels. When you include the window replacement, each loss totaled over \$2,500.

To prevent wheel thefts, secure wheel locks with the vehicles' keys or the deal jackets. To avoid break-ins to customers' cars, park their vehicles inside at night.

### \$75,000 Employee Dishonesty Claim

Soon after a new payroll clerk was hired, she began depositing employee vacation and termination checks into an account that she opened at another bank. She sent checks to employees only when someone complained that they had not received their money. Over several months, she was able to accumulate thousands of dollars. The bank notified the dealership, suspicious after six months of seeing so many checks going to the same bank account.

Evidence was gathered and the employee was arrested. There were promises of restitution, but one year



and three trial postponements later, the dealer has not received a dime and the embezzler is nowhere to be found. Although the claim was paid, the dealer suffered a large increase in their deductible.

PDP recommends a criminal background check be performed on all prospective employees. After all, this person could now be working for you.

### Who Is He?

A man presented himself as the son of a local business owner who regularly purchased vehicles from the dealership. A top-of-the-line vehicle was chosen for the owner and the "son" signed the financing paperwork.

When the finance company called the customer's company to say she was behind on the first payment, the company had no idea what the finance company was talking about. There was no one by that name who worked there, the owner did not have a son in the business and they knew nothing about the vehicle purchase. Once it became clear that this was a case of identity fraud, the finance company looked to the dealer to pay off the loan balance. The dealer then reported the loss to his insurance carrier as an identity theft claim.

Unfortunately, this claim falls under the "stupidity exclusion" for which there is no insurance coverage. A simple phone call to the business contact who normally purchased the vehicles or verification of ID could have prevented this loss.

### Fire In The Booth

A paint spray booth caught fire at a dealership. The good news is the booth did its job and contained the fire, so there was no damage to the rest of the dealership. The bad news is that the booth was destroyed and cost \$80,000 to replace.

The cause of the fire was determined to be poor housekeeping and maintenance. The booth was 16 years old and was never inspected after installation, filters were rarely changed and there was an accumulation of dust and paint in the duct behind the filters. The damage was as intense as if a bomb had exploded. It could not be determined what caused the initial spark, but one spark was all it took to destroy the entire booth. It could have been that the lighting was no longer protected with a glass cover and therefore ignited flammable dust, or that the fan overheated and caught fire due to the clogged filters.

To avoid this scenario, be sure to change the filters in your paint booths regularly, spray the ducts with fire retardant and ensure the wiring, lighting, and ventilation system are explosion-proof. Do not modify the booth in any way and do not install any "non" explosion-proof wiring or devices such as a radio or fan. In addition, equip all paint booths and mixing rooms with a dry chemical or water sprinkler extinguishing system.

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DIALOGUE:

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## Street Smart - Carry The Load

A parts truck was driving down the Interstate to deliver a much-needed part in a large box. Witnesses confirmed that the box just flew out of the truck bed at 60+ mph, blinding the driver behind him. That driver swerved and slowed down, striking another vehicle which, in turn, hit yet another vehicle. Amazingly, no one was killed, but there were five vehicles involved and several people injured — not to mention that the part was not delivered.

All this occurred because the employee did not take the time to tie down the load. This oversight caused unnecessary injury and vehicle damage, traffic backup and an unhappy customer.

Whether the driver was in a hurry as he claimed or was too lazy as the boss claims, the result was the same.



Federal Motor Carrier Safety rules require that:

Cargo is properly secured at all times.

The weight is properly distributed.

The cargo or any other object cannot obscure the driver's view to the front, the left or the right.

A free exit must be preserved for every person in the vehicle — i.e., don't tie bungee cords to the door and slide in through the window.

There is nothing more unsettling than seeing two or three guys standing and holding a large piece of furniture or keeping a refrigerator upright in the back of a moving pickup truck. Most people don't realize that the weight of a load increases the faster a driver goes or stops. No human could hang on to the kind of weight or force that is generated by motion.

Even a less bulky item can cause a deadly accident. Just because a box is lightweight does not mean it does not need to be tied down.

If your parts vehicle is a van, keep in mind that the load can shift in an emergency, crushing the driver or hurtling like a missile out the back. Secure the load and ...

Drive to Arrive.

## Seasonal Safety Suggestions



Drive cautiously, especially around school zones. Fifty million children will be heading back to school this month.

Fill up those potholes on the lot before temperatures drop to freezing and create ice-skating rinks on your premises.

Remove leaves and clutter from outside drains, gutters and downspouts to allow proper drainage.

Review your snow removal program. Remove snow and ice quickly to avoid slips and falls.

## Did You Hear...

This guy pushed his motorcycle into his living room, where he began to clean the engine with rags and a bowl of gasoline, all in the comfort of his own home. When he finished, he sat on the motorcycle and decided to give his bike a quick start to make sure everything was OK. Unfortunately, the bike started in gear, crashing through the glass patio door with him still clinging to the handlebars.

His wife came running from the kitchen and found him crumpled on the patio, badly cut from shards of broken glass. She called 911, and paramedics took the unfortunate man to the emergency room.

Later that afternoon, after many stitches had pulled her husband back together, the wife brought him home and put him to bed. She cleaned up the mess in the living room and dumped the bowl of gasoline into the toilet.

Her husband woke up, lit a cigarette, and went into the bathroom. He sat down and tossed the cigarette into the toilet, which promptly exploded because his wife had not flushed the gasoline away. The explosion blew the man through the bathroom door.

The wife heard a loud noise and the terrible sound of her husband's screams. She ran into the hall and found him lying on the floor with his trousers blown away and burns on his buttocks. The wife ran to the phone and called for the paramedics ... again.

What can we say?

# Shop Talk

## Protecting Parts Inventory: Audits and Security

It seems that we receive most parts shortage claims after a new Parts Manager takes an initial inventory and discovers missing items. What happened between the last new manager and this one? With a regular inventory audit, you'll know.

### Inventory Count

Taking a regular inventory has two advantages: It tells you how many items you actually have on hand to fill orders and it helps "keep honest people honest." A small percentage of "shrinkage" is very expensive when you're moving a million dollars' worth of inventory or more each year.

PDP recommends conducting two types of inventory audits. The first is a full annual count, conducted by an employee outside the parts department or an outside auditor.

The second is a monthly internal count of 10% of the inventory, commonly called a cycle bin count. High-ticket items such as sound systems and GPS devices and high-volume items such as spark plugs, bulk oil and filters should be counted more often, perhaps quarterly. This lets everyone know that the inventory is monitored on a regular basis.



### Preparation

Before the annual inventory count begins:

- Eliminate unused bin locations.
- Place all parts in the correct bins.
- Process all returned items.
- Remove damaged goods from the system.
- Ensure you have well-defined locations to keep the count straight.
- If possible, use hand scanners since most items now have a bar code.
- When printing out the list of items, do NOT include the current count.

### The Count

- Have the auditor count the items for a certain area or specified bins and report back.
- Check the inventory totals against the totals on the inventory (system) list. If there is a discrepancy, immediately recount those items. Hopefully it will match, if not verify the discrepancy.

### Security

I am often amazed when visiting dealerships how easy it is to gain entry to the parts department. Outside doors are left open for deliveries or ventilation, or are simply unlocked, and employees are allowed to pass through the department unchallenged. I have walked through entire parts departments, both floors, without anyone saying a word. Employees are busy pulling their parts and moving on to the next one. Locking the doors is a simple and effective precaution. It reduces both the temptation to grab a part and the number of people who can be blamed for removing something (can we say stealing?).

To help prevent parts theft PDP encourages:

- Pre-employment/conditional employment drug testing.
- Criminal background checks on all new hires.
- Regular inventory audits.
- Securing the parts department so only parts employees have access to the inventory.

Special thanks to Dixon Hughes Accounting for providing the auditing steps.

## TOP TEN Workplace Injuries

Which types of on-the-job injuries cause employees to miss the most time from work?

Liberty Mutual Insurance has released its annual Workplace Safety Index, which identifies the leading causes of the most disabling workplace injuries. Overall, the estimated direct U.S. workers' compensation costs for these top 10 injuries totaled \$48.6 billion in 2006. These 10 categories account for 88% of the cost burden of disabling workplace injuries.

Here's the breakdown on the top 10:

1. Overexertion (injuries caused by excessive lifting, pushing, pulling, holding or throwing): \$12.4B, 25.7%
2. Fall on the same level (such as slips and trips): \$6.4B, 13.3%
3. Fall to lower level: \$5.3B, 10.8%
4. Bodily reaction (injuries caused from slipping or tripping without falling): \$4.8B, 10.0%
5. Struck by object (such as a tool falling on a worker from above): \$4.3B, 8.9%
6. Struck against object (such as a worker walking into a door): \$2.5B, 5.1%
7. Highway incident: \$2.4B, 4.9%
8. Caught in/compressed by: \$2.1B, 4.4%
9. Repetitive motion (injuries due to repeated stress or strain): \$2.0B, 4.0%
10. Assaults/violent acts: \$0.4B, 0.9%.

Taken from Safety News Alert, April 2, 2009, by Fred Hosier.

# Sad But True

## Propane Pyrotechnics

JACKSONVILLE, FL. – The district chief of the Jacksonville Fire Rescue Department reported, "An engine company sent a request for us to extinguish a routine trash fire. The lieutenant said, 'You gotta see this.' An intoxicated group of men had decided that throwing paint cans into their 55-gallon drum fire was fun, but not fun enough. They escalated the excitement by tossing in not one, but three 20-pound propane cylinders.

"Partially-empty cylinders are actually more dangerous than full ones because they cannot absorb as much heat prior to venting or exploding. The fun went south when one cylinder violently vented toward an unfortunate reveler. The patient was transported to a burn unit. I understand that the gene pool is still at risk from these rocket scientists, as the close call was not fatal."

## Leadership Quote

**“Thinking is the hardest work there is, which is probably why so few engage in it.”** Henry Ford

## Safety Quote

**“Safety is something that happens between your ears, not something you hold in your hands.”** Jeff Cooper

## Quote Of The Day

**“Anything is possible if you don’t know what you’re talking about.”** Law of Logical Argument

## For What It’s Worth

**Sign at a dealership – “It’s our responsibility to take care of our customer. If we don’t, the competition will.”**

### Preferred Dealer Protection DIALOGUE

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This newsletter is published quarterly. Please forward your comments, questions, or requests for additional copies to the Preferred Dealer Protection DIALOGUE Editor, Louis T. Dicker.

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