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Former employee at Eddy's Chevrolet Cadillac talks of cocaine use, falsified documents

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Published 9:52 a.m. CT Sept. 5, 2019 | Updated 7:12 p.m. CT Sept. 5, 2019

A former salesman for Eddy's Chevrolet Cadillac describes the Wichita dealership as a drug-fueled den of deceit in court documents connected to the use of an Eddy's vehicle by a drug dealer who ran over police officer Brian Arterburn in 2017.

At the dealership owned by business mogul Brandon Steven, cocaine was a "sales-enhancing drug," upper management routinely falsified inventory documents for auditors and staff forged customer signatures on bank loans to finalize sales, according to Keith Gipson, who was fired from Eddy's three weeks after Arterburn suffered catastrophic injuries.

Gipson unleashed allegations of criminal activity at Eddy's as he answered questions in a deposition for a civil lawsuit brought by Arterburn's wife.

Did Gipson ever see employees use drugs at Eddy's? Cocaine use, he said, was rampant.

"It's a car dealership," Gipson said, and "there's a reason I'm in drug rehab."

The dealership blasted Gipson's "outlandish" testimony in a statement released through an attorney. The statement undermines Gipson's credibility by pointing to his guilty plea in a federal bank fraud case, which involved stealing checks from mail. The business fired Gipson in March 2017, when he was indicted with 10 others.

"When stories are written about pending civil litigation based upon select excerpts of testimony from a few witnesses in pretrial depositions, the potential for creating false impressions and confusion is present," the statement said. "Throughout the pending weeks and months of this case, we will not be commenting upon the testimony of each witness. Rather, we will be aggressively defending this case in the court system and not in the press."

We trust that our friends, neighbors and customers in Sedgwick County will understand and appreciate why this must be our approach."

The lawsuit names Eddy's, Brandon Steven Motors and Steven Enterprises among defendants. Steven has been the subject of multiple federal inquiries, and he pleaded guilty in June to hiding gambling ledgers. His business empire includes Genesis Health Clubs and the Wichita Thunder hockey team.

Drug dealer Justin Terrazas was fleeing police in a Chevy Tahoe with a dealer's tag from Eddy's when he ran over Arterburn, a 25-year veteran of the Wichita police force, as Arterburn tried to deploy stop sticks. Arterburn suffered debilitating brain damage in the Feb. 7, 2017, incident.

The dealership said the SUV had been missing since Dec. 17, 2016, but previous court filings revealed the Tahoe's infotainment system showed calls were placed between Terrazas and upper management at Eddy's in the days before Arterburn was hurt. Documents also indicated employees were aware Terrazas used the Tahoe to deliver suspected prostitutes to a casino.

Wichita police public relations officer Charley Davidson declined to comment on "the intricacies of a civil lawsuit" and the alleged criminal conduct disclosed in court filings.

"If someone believes there's criminal activity at a particular location, by all means report it to us so we can look into it further," Davidson said.

Gipson was an internet sales employee at Eddy's, and he complained during the deposition about low pay, long hours and nepotism. He worked at Eddy's for about a year.

Attorneys wanted to question Gipson after learning the salesman had used the Tahoe in January 2017. The infotainment system kept records of Gipson's calls to "wifey."

Gipson said he borrowed the SUV while the car he owned was in the shop. The Tahoe was a "demo," dealership slang for a vehicle used by an employee, and Gipson said the SUV belonged to a sales manager who served as Steven's right-hand man.

The dealership couldn't keep track of its inventory, Gipson said. Every month, at least 10 to 20 vehicles were missing.

"This happening, vehicles missing, it was an every-day thing they just brushed off, didn't worry about it," Gipson said. "Because they don't know if the vehicle was in the service

department, body shop. Didn't know if it was over here getting detailed. They just would not care about it."

Management would summon sales staff to sign borrowed car agreements, or BCAs, to satisfy bank auditors who checked on inventory, Gipson said.

If a particular vehicle can't be accounted for during an audit, the dealership has to make an immediate payment to the creditor, Toyota Financial Services. Gipson said managers would fabricate signed BCAs because Steven would get upset about having to write a check for missing vehicles.

Gipson said he personally saw the fabricated BCAs. Upper management, he said, would call in as many as seven sales employees at a time to produce varied handwriting and avoid suspicion from auditors.

"I can say with a hundred percent certainty we were given BCAs — salespeople were given BCAs already filled out with stock numbers, descriptions of the vehicle saying that they were on loan to a potential customer by upper management," Gipson said.

Vincent Bray, a spokesman for Toyota Financial Services, said the company was unaware of the activity described by Gipson. The company no longer provides financing for Eddy's, Bray said.

Another example of a "deceitful thing," Gipson said, was the practice of filling in missing signatures on paperwork for a car deal when a sales employee "forgot to get it signed," and the customer never returns. In order to turn the deal in, Gipson said, "they're going to put a signature on that contract."

The paperwork included loan agreements with banks, he said.

Gipson explained how this worked: "Finance guy would leave the room, say, 'I need you to look through this contract and tell me what's missing. And I'm going to leave the room and I'll be back in 10 minutes.' So he would not witness it. But every salesperson there knew what he expected."

Gipson's deposition also revealed common tactics of the car sales industry.

"They make money on the back end, which is selling you warranties, tire packages — all BS, really," Gipson said.

In a bait-and-switch ruse, online listings feature vehicles that aren't on the lot. The idea is to lure a customer in with a low price, Gipson said, then explain the vehicle just sold and push the customer to look at a different one.

"What dealership doesn't do that?" Gipson said.