

Mexico or *Busted*

My client had a *big* problem.

The call came in, as it almost always does, during late afternoon about five minutes before I was going to leave the office. Thanks to the cell phone, of course, I never *really* leave, but I still like to pretend the work day is wrapping up when I walk out. But now I had Jerry (not his real name), a bank vice president, on the phone. He needed my help, and naturally it wasn't just another KIA repossession; this time, the property to be recovered was an airplane.

When someone like Jerry finally gets around to calling me, it is usually with a note of desperation. It was unusual for Jerry's bank to make aircraft loans, but this particular loan had been made as a favor to his own friend. This friend, whom I'll call "Skip", had taken the airplane to Mexico, which was expressly forbidden by the loan agreement, and now Skip was refusing to return the aircraft, and was missing payments. To top it all off, he had allowed the aircraft insurance to lapse. In addition to being betrayed by a supposed friend, Jerry was about to have some serious explaining to do about a \$100,000.00 loan that was behind on payments, and the collateral for that loan, which was completely out of reach in a foreign country. After listening to Jerry's tale of woe, I started feeling a little desperate myself. I wanted to help, but having never even attempted to repossess an aircraft outside the U.S., I didn't know what I should tell him. Nevertheless, I didn't want disappoint this good customer (or maybe it was my ego that came to the rescue), so I agreed to make the attempt.

The main thing you need to know about repossessing an airplane is that it's a lot different from repossessing a car. Cars are easier to hide, but on the other hand you can't just have an airplane key made and then surreptitiously jump into the plane and fly it away. Taking to the air in a plane whose condition and airworthiness are unknown is extremely dangerous, and does not lend itself to having a long flying career. Nor can you back a tow truck up to the plane and tow it down city streets to your storage yard. Moving an airplane on city streets is usually illegal, and impractical anyway, if you remember that, with wingspan, your vehicle is 35 to 40 feet wide. No, repossessing a plane requires a more "creative" approach. And keep in mind, these specialized problems would all be true if the plane were at the closest airport

to my house; now I'd just agreed to try and grapple with them in a foreign country!

In my experience, Mexico is a haven for lost vehicles - lost from the bank's eyes, that is. Cars, boats, trailers, RV's - you name it, it has disappeared in Mexico. And make no mistake - Mexico is a big country. I ponder this as I finally leave my office and walk out into the late afternoon sunlight. How am I going to find this small twin engine airplane, without having the slightest idea of where to look? Or maybe the question should be, "How will I get out of this job without making a complete fool of myself?" Another unpleasant thought was that of committing some legal blunder while trying to secure the plane, and ending up in jail. In jail in Mexico, that is, a couple of thousand miles from home.

The next morning I was still wishfully thinking the whole thing would get called off. Maybe Skip would call the bank, have a change of heart, and turn over the plane. Sometimes when a lender discovers that a particular repossession will be more trouble than it's worth, they will make a more forceful (or more attractive) offer and ultimately sort things out with the debtor. But this was not to be. The fax machine happily churned out page after page of paperwork from the bank: evidence that they had the right to the aircraft, some legal necessities, and other information, but all screaming the same thing at me: "What had I gotten myself into?" Looking over the papers, I was struck by how little information there actually was. Some social security numbers, last known USA address and last known business address. The only current and apparently useful scrap of information was a business name that Skip was allegedly using in Mexico. "Orion Air" - not a very Hispanic sounding name, so probably our American disappearing act. Among other pieces of information Jerry couldn't provide me was what business they were using the aircraft for. The bank didn't even know what the "tail number" was (this is the aircraft registration number visible on the tail section of every aircraft). Fortunately, I did at least have the plane's serial number.

The last known USA address was probably not going to be much help, but still, to be thorough, I went through the motions of all the basic tracing techniques. I checked for other residents at the same address, and also checked all the addresses around the target address. Sometimes former neighbors can tell you a lot about someone who has disappeared, but not in this case. I was actually able to get a few of those neighbors to talk to me on

the phone, but no one could tell me much. So I stared at my pile of useless information, trying to think of the next step.

After about an hour, the phone rang. It was Jerry, and thankfully he wasn't already asking if I had picked up the aircraft yet. Also thankfully, he had some additional information to pass on. It seems that Skip had once called in to let the bank know what his new mailing address would be. The address itself was a Mexican post office box, so it would probably not be anywhere near where the airplane was hiding out, but at least we had the name of a city to work with. I re-aimed my basic search tools at this city, and lo and behold, came up with...nothing. No record of any company with "Orion" in the name at all. No record of Skip's name anywhere in Mexico. Skip had covered his tracks well, and he probably figured a PO box address was safe enough, because we wouldn't be able to trace him with that information alone. I was beginning to think Skip might turn out to be right about that!

I briefly considered giving up, but as I wracked my brains for ideas, I realized I had one more ace up my sleeve, and his name was Esteban.

Back in the days when I ran a flight school, Esteban came up from Mexico to do all his flight training (flight training is less expensive in the US than almost anywhere else in the world). He was probably the most naturally gifted pilot I ever trained, and he earned his way by becoming a licensed airplane mechanic and working for my school. But that was years ago – Esteban was now an airline captain for a major Mexican carrier. So I had a Spanish-speaking friend in Mexico, with possible connections to the Mexican aviation authorities. If I was going to pull this off, Esteban was the key.

I could almost hear him smiling on the other end of the phone line as I described my predicament to him. Esteban's English was never all that good, but I could still hear a tone in his voice that suggested to me I was being naïve. Of *course* he could find out something from the aviation authorities. Not through official channels, naturally, but this being Mexico, it would probably be easier than getting information from the American FAA. All that was required was a nominal transfer of funds to the right person. I don't want to get in anyone trouble by calling it a bribe, so I'll just say it was an informal service fee, and well worth the money.

As it turns out, the airplane had to have entered the country on a flight plan, whether or not it used US air traffic control services. And there had to be a record of the pilot, presumably Skip, clearing customs at the same airport where the plane was landed. Customs records, you say? Another informal service fee. Within a few days, Esteban called me back to report they had matched up a flight plan with the tail number I was looking for, and a name with a customs record. We had zeroed in on the airport, and it was an airport within a reasonable distance to the mailing address my client had provided. With Esteban as my interpreter, I placed several conference calls not only to the authorities at that airport, but also all of the aviation-related businesses there. From one of said businesses we learned that our wayward plane had indeed bought fuel at the airport. Getting closer! But nobody there had rented a parking space or hangar to the plane, and the more people at the airport I talked to, the more it seemed clear the plane was no longer there. Probably our friend Skip had entered the country at one airport, cleared customs, gassed up, and disappeared to some other airport in the country. So close, yet still so far.

I was re-energized by my near-success, though, and the ideas started flowing. I got ahold of some aviation charts and drew a 50-mile radius circle around the approximate location of the mailing address. There were numerous airports charted within the circle I drew. We had already ruled one of them out. So, Esteban and I could systematically call everyone at every airport and eventually, maybe, have some luck. But then I had to ask myself, if I were making even a half-hearted effort to hide an airplane, what kind of airport would I choose? They say that to catch a crook you have to think like a crook, so on instinct alone I decided to try a medium-small airport with no control tower, about halfway out from the center of the circle.

At this point Esteban cautioned that we should have a plan in place to secure the airplane if we should happen to find it. If someone was renting a parking space to our debtor, that person might well tip off Skip that he'd been found, and the plane could get moved before it could be secured. Esteban suggested that he could arrange ahead of time to get the airplane swiftly "held" (whatever that meant, I didn't want to know) once we found it. He would do this with assistance from unnamed Mexican aviation authorities - another informal service fee!

My instincts turned out to be good, or more likely I just got really lucky. Approximately the fourth or fifth call we placed was to an airplane service

business at the airport I'd selected, and we hit the jackpot. The plane was parked in plain sight, in a space that the service company had rented to "an American". Esteban followed up with a call to his contact, and, right on cue, the airplane was taken in for some "involuntary" maintenance. That is to say, an informal service fee occurred, and the folks at the airport moved the plane into the back of their large maintenance hangar, blocked it in by parking several other airplanes in front of it, kept an eye on it by day, and locked the large, heavy hangar doors at night.

Mission accomplished!

Or to put it another way, it was all over except for the shouting. And it was Skip doing the shouting. With his airplane out of reach, we had finally caught the attention of our wayward debtor. It turns out he was using the plane for some sort of charter operation, and now he had paying customers who were stranded! In my business you learn to listen quietly while people blame you for all the mistakes that they themselves have made. So now I had Skip on the phone, telling me how it's my fault his passengers are stranded, and how he's just trying to run a business, and assorted other nonsense. Finally he wears himself out, calms down, and realizes there is only one way out of his problem (it happens that way just about every time). But guys like this are always scheming, too, and Skip is no exception. He offers to send one payment right away, and then resume the normal payment schedule. Since he was *months* behind on payments, it's unlikely that any bank would have gone for that offer, and given what a merry chase he'd led us all on, Jerry's bank wasn't in the mood for any negotiation at all – they demanded full and immediate repayment. Skip threw another fit when they rejected his offer – like I said before, you get used to that sort of behavior.

Within a day or so, and just as I was getting to work on the complicated arrangements for bringing the airplane back across the border, came the surprise end to the story. Skip paid off the loan! Somehow, he got a new loan at some other bank and paid off my client. I was puzzled by how quickly he was able to refinance, but you don't look a gift horse in the mouth. We had the airplane unpacked from the back of the hangar and put right back in the parking space where we found it. It was really the perfect solution, since everyone got their money, Skip got his plane, and we didn't have to deal with the hassle of bringing the airplane back. And I decided I really didn't want to know how Skip found a bank willing to lend him more

money. I just hope *that* bank doesn't call me to get the airplane again when Skip starts missing his payments.

Pete Conrad owns and runs Judgement Recovery Company, a reposessor that operates primarily in Washington State and Idaho. Prior to that, he taught flying and founded Northway Aviation, a flight school still operating in Everett, Washington. He resides in rural Washington State, and still holds an Airline Transport Pilot's license and his Flight Instructor certification.