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NEW YORK CITY'S DEPARTMENT OF CONSUMER AFFAIRS LAUNCHES INVESTIGATION INTO THE SALE OF UNREPAIRED RECALLED USED CARS, AGGRESSIVELY PROTECTING NEW YORKERS FROM POTENTIALLY FATAL DEFECTS

Subpoenas Sent to 200 Used Car Dealerships, a Quarter of all Dealers Citywide, in Effort to Discover Whether Dealers are Selling Unrepaired Recalled Cars

Dealers will be Required to Notify Customers of any Recalled Cars Unrepaired at Time of Sale, to Make Repairs and Future Sales of Unrepaired Recalled Cars will be Prohibited

Department of Consumer Affairs (DCA) Commissioner Julie Menin announced today an investigation into the City's used car dealerships, which DCA licenses, seeking to discover whether they are selling unrepaired recalled cars. As part of the investigation, DCA issued subpoenas to 200 dealers, forcing them to provide their policies on selling unrepaired recalled cars, to reveal how many such vehicles they have sold in the past year, and whether the consumer was notified at the time of sale. DCA will ensure that any dealer found to have sold a recalled car that was not repaired at time of sale in the past year, notify the customer and make any repairs that are necessary at the dealers' expense and stop selling unrepaired recalled used cars in the future.

DCA's investigation seeks to close a loophole in federal law, which prohibits the sale of new cars with recalled parts, but fails to ban such sales of used vehicles. Fortunately, City law, which DCA enforces, requires dealers to certify that their vehicles are "roadworthy," and prohibits dealers from misleading consumers as to the safety of their vehicles. Under City Law, a car with recalled parts that are unrepaired is not deemed to be roadworthy. New York City is in a unique position to investigate these businesses because of the City's licensing and consumer protection laws, the presence of a strong DCA and the fact that it is illegal to sell cars "as is" under state and City law.

"More cars have been recalled in 2014 than any other year on record," said DCA Commissioner Julie Menin. "We're not going to wait for tragic statistics to demand that dealers repair these ticking time bombs. Dealerships who have sold unrepaired recalled

cars must take responsibility and notify their consumers immediately to repair the vehicles—consumers shouldn't have to wait for new legislation, a court battle, or a tragedy, to know the car they bought is safe as required by law.”

“This is going to make New York's roads safer,” said John W. Van Alst, Director of the Working Cars for Working Families Project and an attorney at the National Consumer Law Center. “I am grateful and heartened that New York City is looking seriously at the issue of used car dealers selling cars with safety defects. A safety defect represents a risk to the driving public. It's important to public safety that in the absence of a Federal solution, New York City and its DCA are aggressively using their authority to keep the public safe.”

Subpoenas were issued to dealerships that have received a past violation for selling a vehicle that was not certified as roadworthy or inspected, received complaints that contain terms associated with safety defects, and at random. Although not specifically about recalled cars, complaints contained terms such as tires, brakes, defect, lemon, repair, etc. The majority of companies were selected at random based on the percentage of licensees in each borough in order to obtain information that is representative of the industry citywide.

The federal Department of Transportation's National Highway Traffic Safety Administration (NHTSA) issues vehicle safety standards and can require manufacturers to recall vehicles that have safety-related defects or do not meet federal safety standards. A recall is necessary when a vehicle or its equipment, including tires, ignition, wiring, brakes and air bags, does not comply with a federal motor vehicle safety standard and/or there is a safety-related defect in the vehicle or equipment. The NHTSA maintains a searchable database of recalls at [safercar.gov](http://www.safercar.gov) (link to: <http://www.safercar.gov/>). The database can be searched by a vehicle's year, make and model, and, starting August 20, 2014, by the vehicle identification number (VIN).

According to a report from the NHTSA, vehicle manufacturers have already recalled more vehicles in the first six months of 2014 than any other year on record. Although official 2014 numbers from NHTSA won't be released until next year, NHTSA lists approximately 37.5 million cars being recalled this year in the U.S., beating a previous record of 30.8 million in 2004. In June, 11 consumer groups petitioned the Federal Trade Commission to investigate the CarMax, the largest used car dealer in the U.S., which does not have locations in New York City, for deceptive advertising that touts its rigorous quality inspections while selling unrepaired recalled used cars.

DCA licenses 836 used car dealerships and last year, conducted more than 500 inspections and issued 170 violations. Last year, DCA received 261 complaints about used car dealerships and secured almost \$300,000 in restitution. To file a complaint with DCA, or for a free copy of the *Used Car Sales Consumer Guide*, call 311 or go online to [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) . Visit DCA's YouTube channel to watch a video in [English](#) and [Spanish](#) about what to know when

shopping for a used car. Video captions are also available in English, Spanish, Chinese, Korean, Haitian Creole and Bengali.

The Department of Consumer Affairs (DCA) licenses, inspects, and educates businesses, mediates complaints, educates consumers, and offers free financial counseling and safe banking products. DCA enforces the Consumer Protection Law, the Paid Sick Leave Law and other related business laws throughout New York City and licenses nearly 80,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA's Office of Financial Empowerment assists low-income New Yorkers with innovative programs and services to increase access to high-quality, low-cost financial education and counseling, safe and affordable mainstream banking, and access to income-boosting tax credits and savings. For more information, call 311 or visit DCA online at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) or on its social media sites, [Twitter](http://www.twitter.com/nycdca) (link to: <http://www.twitter.com/nycdca>), [Facebook](http://www.facebook.com/nycdca) (link to: <http://www.facebook.com/nycdca>), [Instagram](http://www.instagram.com/nycdca) (link to: <http://www.instagram.com/nycdca>), and [YouTube](http://www.youtube.com/nycdca) (link to: <http://www.youtube.com/nycdca>).

Follow these Tips to Protect Yourself from Recalled Cars

- **Visit [safercar.gov](http://www.safercar.gov)** (link to: <http://www.safercar.gov/>) **to check if the car you own or plan to buy has been recalled or has any safety complaints.** You can search by the vehicle's year, make and model and, starting August 20, 2014, the vehicle identification number (VIN). For more information on recalls, download the federal government's guide, [Motor Vehicle Defects and Safety Recalls: What Every Vehicle Owner Should Know](http://www-odi.nhtsa.dot.gov/recalls/recallprocess.cfm) (link to: <http://www-odi.nhtsa.dot.gov/recalls/recallprocess.cfm>).
- **Check if the used car you are buying has any unrepaired safety defects.** Ask the dealer for the vehicle identification number (VIN) and contact an authorized dealership to ask if safety recall repairs have been made. Many manufactures also have online systems for checking a vehicle's recall status but some will only provide information to the owner. Beginning August 20, 2014, anyone will be able to search [safercar.gov](http://www.safercar.gov) (link to: <http://www.safercar.gov/>) by VIN to determine if a specific vehicle was subject to recall and whether the appropriate repairs were performed. You can also download the *SaferCar App* for [iPhones](#) and [Android](#) devices to check for recall and complaint information.
- **Before you buy a used car, ask the dealership what their policy is for selling vehicles that have been recalled.** Even if the dealer tells you they won't sell a recalled car, you should do your own research.

- **Get the used car you are buying inspected by an independent mechanic.** Do not buy a car if the dealer will not let you have it inspected or if they try to sell you a car “as is.” Many safety defects will not be identified during a standard inspection so you should also check for recalls.
- **Notify the manufacturer that you are the new owner when you buy a used car or if your contact information changes.** If you are the original purchaser or registered owner, the manufacturer will contact you directly if your vehicle is recalled. You can also subscribe for email alerts at [safercar.gov](http://www.safercar.gov) (link to: <http://www.safercar.gov/>) for future safety recalls.
- **Have safety-related defects repaired immediately.** If you bought a used car that was recalled for a safety defect but was not repaired when you bought it, you have the right to request that the dealer repair the car or pay for the repairs. If you are buying a used car that has been recalled and the dealership won’t repair it prior to sale, file a complaint with DCA. If you are the original owner of a recalled car, contact the manufacturer immediately to have the defect repaired; the manufacturer will repair the car free of charge if the vehicle is less than ten years old and the repair is made by an authorized dealer.
- **Don’t wait for a recall letter if your car shows signs of a problem; take it to the dealer or a mechanic.** You should also file a complaint with the National Highway Traffic Safety Administration at [safercar.gov](http://www.safercar.gov) (link to: <http://www.safercar.gov/>) or by calling 888-327-4236.
- **Get DCA’s Used Car Buyer Guide.** Download DCA’s complete guide for buying a used car at nyc.gov/consumers and visit DCA’s [YouTube Channel](http://www.youtube.com/nycdca) (link to: <http://www.youtube.com/nycdca>) to watch a video in English and Spanish about what to know when shopping for a used car. Video captions are also available in English, Spanish, Chinese, Korean, Haitian Creole and Bengali.
- **File a complaint.** If you have a problem with a used car dealership, file a complaint with DCA at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) or by **contacting 311**.