

Automobile Fraud

Why Automobile Fraud is so Common?

An astonishing percentage of car sales involve fraud. Automobile fraud is so prevalent for a number of reasons. The sheer volume of American car expenditures is enormous--hundreds of billions of dollars a year. In addition, both by necessity and by dealer ingenuity, car purchases are complex. The sale involves compliance with state titling and registration laws, often involves trade-ins, financing, leasing, physical damage and liability insurance, credit insurance, service contracts, options, and other fees. This complexity provides ample opportunity for confusion and deception. The most common and actionable forms of automobile fraud are described below.

Lease Fraud

Leasing is an important profit center for dealers and a frequent area of automobile fraud. Often this involves abuses as to the terms of the lease, such as the amount exchanged for trade-in, down payments, or rebates; higher capitalized costs than represented; manipulation of residual values; exorbitant early termination penalties; and even deception about whether the transaction is or is not a lease. If your lease terms are confusing to you, and you think you have been deceived, you may wish to contact us.

Odometer Fraud

One type of odometer fraud involves tampering with an odometer so that its reading is less than the car's actual mileage. Another type is the dealer's failure to disclose that an odometer has exceeded its mechanical limits, e.g., where the car has really traveled 150,000, not the 50,000 shown on the five-digit odometer. An auto dealer's failure to make the federally mandated disclosures is a form of fraud and something that we have experience litigating. If you think that your vehicle was sold to you with an inaccurate odometer reading, or if you were not adequately placed on notice of the vehicle's mileage at the time of sale, you may wish to contact us.

Spanish Language Sales

California law requires a seller or lessor of a vehicle, who negotiates the deal in Spanish, to provide the buyer or lessee with a Spanish version of the same document BEFORE they are asked to sign the English one. Failure to do so constitutes a statutory violation where the purchaser or lessee then has the option to cancel the contract and get their money back.

Wrecked & Salvaged Autos

Sometimes dealerships sell cars that were previously wrecked or salvaged without disclosing this to the consumer. If you purchased a used car or truck and you believe it may have been in a serious accident before you bought it, we suggest you take the following steps. First, take the car to a body shop and ask for an inspection and report. Ask that the frame be measured. If the frame is bent or the vehicle has safety-related problems, you may contact us to discuss your possible case against the dealer. Salvage vehicles have been in such a severe accident that the insurance company or leasing company "totaled" the vehicle (paying off the consumer and taking title). These vehicles are supposed to be repaired at licensed repairers and then checked for safety. If they pass the safety inspection, they may be sold with full disclosure of their salvage status. The insurance company that totaled the vehicle must brand the title

with the word "salvage." If you were sold a salvage vehicle, and did not know it to be salvage at the time of purchase, you may wish to contact us.

Fraudulent Misrepresentation

Dealers are most famous for misrepresenting the cars they sell (e.g., "one owner" or, even worse, "driven only on Sundays to church by an elderly woman"). The real truth is that they don't know—the dealers for whom they are selling cars tell them nothing about the cars they are selling. And, sadly, they learn that they have to say something or they won't sell too many cars. There is a "line" as to what may be permissible "puffery" by a retailer and fraud. Frequently that line is crossed by aggressive salespeople who are trying to make a fast buck at your expense. If you believe that a dealer has seriously misrepresented something regarding a vehicle's history and/or condition, you may wish to contact us.