



Department of  
Consumer Affairs

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## News from DCA

### PRESS RELEASES

FOR IMMEDIATE RELEASE

Monday, December 23, 2013

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### DEPARTMENT OF CONSUMER AFFAIRS BANS METROPOLITAN NY TOWING, AUTO BODY & SALVAGE ASSOCIATION FROM ALL TRANSACTIONS WITH THE DEPARTMENT

#### *DCA Revokes 36 Tow Truck Company Licenses and 29 Tow Truck Driver Licenses*

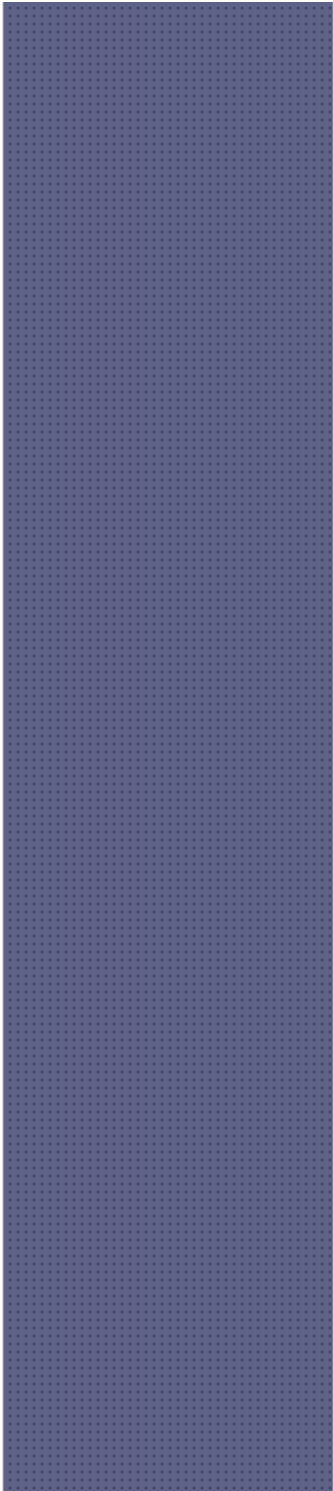
Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz announced today that the Department has issued its final report on its multi-year investigation of the Metropolitan NY Towing, Auto Body & Salvage Association and its employees. The three-year investigation found that Metropolitan Tow Association repeatedly counseled its members to provide false information to DCA, facilitated false submissions, and engaged in other fraudulent and illegal activities. DCA has permanently banned the Metro Tow Association, its successor, Tabs Consulting Group, Inc., and their employees from representing any business before DCA.

"Our investigation into Metro Tow uncovered rampant fraud against the City in an industry that already has a reputation of taking advantage of stranded motorists and towing innocently parked cars," said Commissioner Mintz. "I hope this investigation and ban of Metro Tow takes us one step closer to creating a tow industry that does not take advantage of its customers or the City. It's so easy to apply for a license. I encourage all businesses to do it online in our [Business Toolbox](#) or in person at our Licensing Center. We're always happy to help."

Norman Teitler and his principal associate, Richard Siegel, portrayed Metropolitan Tow Association as a membership organization serving the towing, auto body and salvage industries. However, DCA found that the Association was actually a private entity named Automotive Business Consultants Ltd., and was wholly owned by Teitler. It principally functioned as an "expeditor," charging an annual fee to complete and submit applications and appear at DCA's offices to obtain licenses and represent the businesses.

DCA initiated the investigation in 2010 based on evidence that Metro Tow Association had counseled tow companies to file false documents with the Department. DCA temporarily banned the Association from submitting documents or representing any tow company. Despite the ban, the Association continued preparing license documents on behalf of towing companies and attempted to file them. DCA found approximately 10 individuals secretly acting on behalf of the Association.

The investigation found that Teitler created a standard contract for the sale of tow companies that included a clause where parties agreed to commit fraud against DCA for the sole purpose of maintaining the companies' membership in the City's towing programs including the Directed Accident Response Program (DARP), the Rotation Tow Program (ROTOW) and the Arterial Tow Program. A towing company is eligible to



participate in DARP and ROTOW after demonstrating a satisfactory record with DCA for a year. Once part of DARP and ROTOW, they are also eligible to participate in the City's highly lucrative towing program, Arterial Tow Program. Across all DCA-licensed industries, if a business sells at least 10 percent of its stock, the new owner has to apply for a new license for the business. With the change of license, the business would have to wait a year to become eligible again for DARP and ROTOW. To complete the fraudulent sale of tow companies, Siegel and Teitler prepared and submitted fraudulent change of ownership forms to DCA and created false supporting evidence recording only a nine percent transfer of shares from one owner to another for 70 towing companies.

DCA issued subpoenas for documents and testimony to 55 of these tow companies, but most refused to respond. DCA brought charges against 46 of these companies for refusing to comply with the subpoenas and revoked their licenses as well as the tow truck drivers' licenses for lack of fitness and integrity. This resulted in approximately \$72,000 in fines. The investigation also found that Metropolitan submitted counterfeit approvals from the Department of Buildings to DCA in order to obtain towing licenses for businesses where the building and zoning codes did not permit towing.

As a result of the investigation, DCA permanently banned Metropolitan Tow Association, its employees, Auto Body & Salvage Association and Metro Environmental Response, Inc. and any other related businesses from representing any DCA licensee. Any business owner in the towing, secondhand automobile dealer, and scrap metal industries will have to submit a sworn certification with every filed document ensuring they were not prepared by anyone employed by the Association.

There are currently 555 licensed towing companies in the City and 3,125 licensed tow truck drivers. DCA received more than 200 complaints about towing companies this past year, issued more than 100 violations and was able to secure more than \$42,000 in restitution. DCA has made it easier than ever to apply for a license in person at the Licensing Center or online in the Business Toolbox on [nyc.gov/consumers](http://nyc.gov/consumers). Consumers can also find [tips](#) and if a tow company is licensed online or by calling 311.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Empowering consumers and businesses to ensure a fair and vibrant marketplace, DCA licenses almost 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. The DCA Office of Financial Empowerment (OFE) was launched by Mayor Michael R. Bloomberg at the end of 2006 as the first local government initiative in the country with the specific mission to educate, empower, and protect individuals and families with low incomes. OFE creates innovative programs, products, and services for New Yorkers so they can build assets and make the most of their financial resources. Our goal is to increase access to high-quality, low-cost financial education and counseling; connect individuals to safe and affordable mainstream banking and products and services; improve access to income-boosting tax credits, savings, and other asset building opportunities; and enforce and improve consumer financial protections to safeguard financial stability. For more information, call 311 or visit DCA online at [nyc.gov/consumers](http://nyc.gov/consumers).