

August 21, 2003

CONSUMER AFFAIRS CRACKS DOWN ON DECEPTIVE AND MISLEADING AUTO ADVERTISEMENTS

DCA Cites 19 Auto Dealers Citywide

The New York City Department of Consumer Affairs ([DCA](#)) announced today that it has cited 19 car dealerships citywide - totaling more than 2,800 counts - for deceptive and misleading advertisements, and in some cases, unlicensed activity. The agency monitored advertisements placed in various City newspapers from February to June 2003 citing the most egregious cases. Dealers face possible penalties with fines ranging from \$100 - \$350 per count.

"Deliberately enticing car buyers with half-truths and exaggerated claims is not just infuriating, its illegal," said DCA Commissioner Gretchen Dykstra. "Dealers should know and abide by longstanding rules that were put in place to protect consumers from deceptive trade practices. Car dealers should also know that we are keeping a close eye on their advertising practices and will continue issuing violations where warranted - guaranteed."

Under New York City's Consumer Protection Law and other related laws, dealers are required to adhere to strict rules and regulations regarding advertisements. DCA recently issued violation notices for, but not limited to, **false advertising** (i.e. advertising damaged or used cars as "new"), **false prices** (i.e. listing "buy for" prices based on restricted rebates or requiring financing that automatically increases the cost of the advertised car), **failing to disclose required information**. (i.e. license number, credit, and pricing information was not listed in a clear and conspicuous manner), and **misleading credit claims** (i.e. balloon payments listed in footnotes and implying that credit will be approved instantly). In some cases dealers were cited for not being licensed by DCA as second-hand auto dealers, a requirement for dealers accepting trade-ins, as well as those that just sell used cars.

DCA charged the following dealers with related violations:

- **Northern Boulevard Dodge Inc.**, 209-01 Northern Blvd., Bayside, NY (94 counts)
- **Northern Boulevard Dodge Inc.**, 209-35 Northern Blvd., Bayside, NY (231 counts)
- **Kia of Bayside**, 211-08 Northern Blvd., Bayside (120 counts)
- **Bayside Chrysler Plymouth / Jeep Eagle, Inc.**, 212-19 Northern Blvd., Bayside (107 counts)
- **Bronx Automobile Group, Inc.**, 3305 Boston Rd., Bronx, NY (461 counts)
- **Bronx Automobile Group, Inc.**, 3329 Boston Post Rd., Bronx, NY (309 counts)
- **Kia of the Bronx**, 3350 Boston Post Rd., Bronx, NY (526 counts)
- **Bronx Hyundai, LLC**, 4353 Bronx Blvd., Bronx, NY (120 counts)
- **Cox Nissan, Inc.**, 1235 E. Tremont Ave., Bronx, NY (192 counts)
- **Cox Nissan, Inc.**, 3700 Boston Rd., Bronx, NY (192 counts)
- **Regan Pontiac, Buick, GMC Truck**, 43-20 Northern Blvd., Long Island City, NY (134 counts)
- **SG Hylan Motors Inc.**, 1220 Hylan Blvd., Staten Island, NY (216 counts)

- **Staten Island Honda**, 1232 Hylan Blvd., Staten Island, NY
(96 counts)
- **Star Auto Sales of Bayside, Inc.**, 205-11 Northern Blvd., Queens, NY
(93 counts)
- **Star Auto Sales of Queens Village LLC**, 211-44 Jamaica Ave., Queens Village, NY
(23 counts)
- **Star Nissan Inc., 206-14 Northern Blvd.**, Bayside, NY
(704 counts)
- **Metro Chrysler Plymouth Inc.**, 210-11 Jamaica Ave., Queens Village, NY
(228 counts)
- **Kings Plaza Jeep Eagle Inc.**, 2286 Flatbush Avenue, Brooklyn, NY
(497 counts)
- **Popular Ford Sales, Inc.**, 6501 Fort Hamilton Parkway, Brooklyn, NY
(136 counts)

There are currently 1,300 licensed second-hand auto dealers in New York City. Last year, DCA received 317 related complaints, and secured nearly \$300,000 in consumer restitution.

"When purchasing a used car consumers should always call 311 to check a dealer's complaint history and whether they are licensed, determine their needs and budget, and spend some time shopping around before making a quick decision," urged Commissioner Dykstra.

DCA enforces the City's Consumer Protection Law and other related laws at thousands of businesses throughout New York City. Fostering a marketplace where consumers are protected and businesses can thrive, DCA licenses more than 60,000 businesses in 55 different categories citywide. Through free community seminars, licensing forums, and other informational materials, DCA educates consumers and businesses alike about their rights and responsibilities.

To file a complaint or for a copy of the DCA's *Guide to Used Car Purchases*, call 311 or visit DCA online at www.nyc.gov/consumers.