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Kay Sarlin/Elizabeth Miller, (212) 487-4283

**DEPARTMENT OF CONSUMER AFFAIRS COMMISSIONER MINTZ PUTS
USED CAR DEALER QUEENS AUTO MALL ON NOTICE FOR ILLEGAL AND
DECEPTIVE BUSINESS PRACTICES**

***DCA Seeks License Revocation and Nearly \$700,000 in Consumer Restitution
and Fines***

***Commissioner Mintz Issues Tips to Car Buyers to Protect Their Money and
Credit History***

The Department of Consumer Affairs (DCA) today announced aggressive legal action against used car dealer Queens Auto Mall, Inc. (134-01 Atlantic Ave, Richmond Hill, NY 11418), citing the business for charging consumers illegal fees, refusing to refund deposits on cancelled transactions, prohibiting consumers from filing complaints as a condition of issuing refunds and guaranteeing financing for all customers in its advertisements. DCA also charged the used car dealer with deceptively implying that its auto auction business, Queens Auto Mall Auction House – also known as Federal Auctioneers, Federal Auto Auction and New York State Auction – is affiliated with the federal and state government.

“A license to sell used cars is not a license to cheat New Yorkers looking for a fair deal,” said Consumer Affairs Commissioner Jonathan Mintz. “The extensive pattern of fraud we’ve seen at Queens Auto Mall is outrageous and this Department is moving to shut them down – period.”

DCA seeks to revoke both the used car license and auction license of the owners of Queens Auto Mall and Queens Auto Mall Auction House, as well as to bar permanently its owners from obtaining any DCA license in the future. Since 2000, the Department has received 100 consumer complaints about Queens Auto Mall, including complaints about refund refusals and failure to deliver vehicles after consumers put down \$500 deposits. Most critically, DCA will seek restitution for every consumer who was illegally charged an auction fee and a processing fee, ranging from \$99 to \$449, and will also seek maximum fines, estimated at nearly \$700,000.

In February 1999, DCA cited Queens Auto Mall for similar violations. The used car dealer signed a settlement agreement with the Department in 2000, agreeing to refund \$25,000 to consumers, pay \$5,000 in fines and comply fully with the law. DCA’s most recent charges reveal Queens Auto Mall has persistently violated both the law and that settlement agreement.

Last year, DCA received more than 700 complaints about used car purchases – one of the Department’s top five complaint categories. Most complaints report “bait-and-switch” offers which lure potential customers into the dealership, unclear contract terms and high pressure sales tactics. Other obstacles for consumers include language barriers, or contracts negotiated in another language but written in English, causing

confusion of terms and conditions. In the past year, DCA reclaimed more than \$800,000 in restitution for consumers who filed complaints about used car dealers.

New York City residents can call 311 or go online to www.nyc.gov/consumers to file a complaint with DCA, or to request free copies of the [Used Car Sales Consumer Guide](#) and [False Advertising: How to Spot it and Read the Fine Print](#).

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses, DCA licenses more than 71,000 businesses in 57 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 is the first municipal office of its kind in the nation with a mission to educate, empower and protect New Yorkers with low incomes, to help them make the best use of their financial resources to move forward economically. For more information, call 311 or visit DCA online at www.nyc.gov/consumers.

Shopping for a car? Follow these tips:

- **If buying a used car, first check if the dealership is licensed by DCA.**
- **Get a copy of your credit report before you start shopping around.**
Correct any errors, or work on improving your credit score before you apply for a car loan so that you get the best deal. Go online to www.annualcreditreport.com for a free copy of your credit report.
- **Get pre-approved for a loan BEFORE going shopping.**
The terms and eligibility requirements for financing can be complicated. If you are going to finance your car purchase, knowing interest rates before you shop will help you compare rates and find the terms that work best for you. If you secure a car loan through your bank or credit union, you will be dealing with an institution with which you have a prior relationship should anything go wrong.
- **Never sign a blank or incomplete agreement/contract if you don't understand the terms; always retain all copies of any contract or paperwork signed.**
- **If a car sale is negotiated in a language other than English, the contract must also be written in that language.**
- **Don't negotiate a purchase based on a monthly payment.**
Your goal is to negotiate the best price for the car at the lowest interest rate and for the fewest number of payments. Pay close attention to the terms; negotiate the total cost of the car, the interest rate and the total amount that you are financing. Then estimate the monthly payment amount.
- **Say no to "add-ons" and options.**
Most add-ons or options like paint and fabric protection, rust-proofing, extra security systems, extended warranties, etc. are cheaper when bought separately. Ask for a calculation of your monthly payments with and without

the add-ons and options.

- **File a complaint with DCA.**

Call 311 or go online to www.nyc.gov/consumers to contact DCA.