





## A defective sales strategy

Why are used car dealers allowed to sell cars without repairing safety defects?

BY DYLAN SVOBODA



in the United States, continues to sell customers used vehicles without repairing safety defects despite calls from car safety advocates.

A nationwide report released in October by the US PIRG Education Fund and Consumers for Auto Reliability and Safety Foundation found that about one in nine used AutoNation cars had a safety defect. SN&R found examples of recalled used cars for sale on the website for AutoNation's Roseville dealership.

AutoNation spokeswoman Lisa Ryans said the company is in full compliance with federal law while maintaining a transparent process for purchasers.

"For all pre-owned vehicles, AutoNation customers are required to sign a recall disclosure acknowledgment prior to purchase," Ryans wrote in a statement to SN&R. "By signing the form, buyers acknowledge that prior to signing the vehicle contract the dealer provided documentation of any open recalls, and where possible the dealer gave buyers the opportunity to schedule or complete recall repairs prior to the purchase."

Currently, federal law prohibits dealers from renting or selling new cars on safety recall, but doesn't prohibit the sale of used cars on safety recall as long as the buyer is notified.

Disclosure aside, selling recalled cars is a breach of consumer trust, said Jason Levine, the Center for Auto Safety's executive director.

"When potential buyers go into a dealership, most people assume that anything they are selling is safe," Levine said. "The consumer shouldn't even be given the option to buy a recalled car or make the decision on its safety."

Claudia Deeg of the CALPIRG Education Fund echoed Levine's concerns and took them a step further by questioning if AutoNation is notifying each customer of the recalls.

"AutoNation states that it discloses outstanding recalls to customers, but this is



insufficient as they can't guarantee it always happens and it is not clear customers fully understand the risk," she said. "We don't let companies sell toys with toxic levels of lead or microwaves that could explode."

Selling used recalled cars is a common practice among other large used car dealers, including CarMax, according to Levine.

In September 2015, AutoNation separated itself from its competitors by vowing to quit selling cars with an active safety recall. AutoNation's then-CEO Mike Jackson stated that "there's no way to expect that customers would or should know of every safety recall on every vehicle they might purchase, so we will ensure that our vehicles have all recalls completed. We make it our responsibility as a retailer to identify those vehicles and remove them from the market until their safety issues have been addressed," according to Consumer Reports.

But by November 2016, the automotive retailing behemoth walked back those promises.

There is a push in Congress to outlaw the sale of recalled used cars.

In June, Sens. Richard Blumenthal of Connecticut and Edward Markey of Massachusetts reintroduced the Used Car Safety Recall Repair Act, which would prohibit auto dealers from selling, leasing or loaning used vehicles with an unrepaired safety defect. Congress has taken no further action on the bill.

Questionable car-selling in the capital city stretches beyond safety recalls.

In September, Sacramento-based Paul Blanco's Good Car Co. was sued by California Attorney General Xavier Becerra for allegedly preying on low-income customers with false advertising and credit statements and by tricking customers into buying unnecessary add-on products.