

W-FIVE: A Bad Road Trip



A team from the Automobile Protection Association inspects a car taken for a test ride from a dealership in Vancouver, B.C.



George Iny, president of APA, has headed undercover investigations into the automotive world for the past fifteen years.

W-FIVE

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George Iny is a man on a mission -- to clean up the automotive world. Used cars, new cars, car mechanics -- all have been in his sights for fifteen years. As president of the Automobile Protection Association (APA), Iny and his team have looked under a lot of hoods and kicked a lot of tires while conducting undercover investigations. This year's survey of the used-car market in Toronto and Vancouver is no exception.

"All car dealing is slippery," Iny says. "The used-car business brings with it the additional element of not only advertising concerns but also the fact that the car has had other owners and may have secrets to hide."

It takes many hours trekking through used-dealer lots -- and many kilometers of test drives -- to unearth the hidden secrets of dishonest car dealers. But there's no stopping the dedicated gumshoes of the APA in their quest to uncover the insurance write-offs, concealed accidents, and shoddy repairs of some used-car sellers.

This year, the APA sets out again to rate the performance of different used-car dealerships. After mystery-shopping 36 dealers and clocking hundreds of kilometres over two months, in Toronto and Vancouver, the team reported some disturbing results.

With only four of 18 used-car dealers passing, Toronto had a shocking 78 per cent failure rate. Vancouver received a 55 per cent failure rate, with ten of 18 used-car dealers not making the grade.

Seventy per cent of all vehicles sold are used. That translates into nearly four million used cars sold last year in Canada. The work of the APA is relied on by many.

The small but mighty APA team -- made up of Iny, his secret shoppers and a secret mechanic -- considered a turncoat by many in the dealer industry -- start by scouring the classifieds in publications such as Auto Mart, Auto Trader and the Buy & Sell.

A red flag for Iny is always the newer used vehicle priced under market or advertised as "no accidents."

Once they compile their list of dealers, the APA -- posing as buyers -- sets out to shop the cars. Working with W-FIVE, the team is first wired with hidden cameras and microphones to record what dealers tell them about the cars for sale. The secret recordings become critical to proving the deceptive claims of car dealers.

When inspecting used vehicles, the APA squad is particularly on the look-out for a "rebuilt" -- one that has been in a severe accident, often declared "salvage" and then apparently fixed to make it roadworthy. .

"Rebuilds" are of particular interest to Iny and his team because while a vehicle might look roadworthy with shiny new paint and a replaced grill -- the repairs aren't always enough to make the car safe. It's a double concern for Iny -- not only can the buyer be paying a lot of money for a wreck, it can also be a public safety issue.

And in the field during this year's survey, Iny is sadly not disappointed. A common problem they found was the misrepresentation of accidents. In many cars the APA inspected, dealers failed to tell the mystery shoppers about serious collisions the vehicles had been in -- or lied about how bad the accident was.

In Vancouver, a 2004 VW Golf, advertised by Alpha Auto Access in Auto Mart, as having "no accident" turned out to have been in a collision with damage estimated at over \$21,000.

Down the road at another dealership, a 2006 Acura RSX, was pitched by the salesman as "being hit on the left side - but nothing that major." Following the visit, W-FIVE found documents that revealed the vehicle was an insurance write-off, "a total loss."

On the used-car lots the APA's crack mechanic can usually spot a problem vehicle right away - one that has been in a serious collision and has had extensive repairs done. The evidence is in tell-tale signs such as bad welding - welds where a new, undamaged car would have none - and evidence of repainted vehicles.

The APA gathers serial numbers or vehicle identification numbers (VINs) that can tell a lot about a car and its history. Once the APA mystery shoppers finish their dealer visits, they share their findings with W-FIVE.

Producers at W-FIVE check the suspect VINs through a car history database which contains information from the U.S. and Canada - everything from registration data to odometer readings to accident claims. From the database report, the producers can determine a car's entire history - where it's been registered, if it's branded salvage or rebuilt and if there are any collisions.

Those car history reports are key to W-FIVE uncovering the underreporting of a car's collision history by the

dealer. But their use is not limited to the program's documentary producers and researchers. For a fee - less than the price of a tank of gas - any used-car shopper can get a vehicle history before signing on the dotted line.

Unscrupulous dealers aren't the only ones on the APA radar. There's another breed of dishonest car seller found by Iny's mystery shoppers - the "curbsider," or "curber". They sell their cars through classified ads, posing as private sellers, pretending to sell their own used car. In reality they are unlicensed dealers, operating from repair garages and driveways.

Iny and his squad go over the ads looking for phone numbers that regularly show up. The APA quickly identifies individuals who have as many as 10 cars for sale in a three-month period and plan their visits as interested buyers.

Curbsiding is a problem throughout Canada. Some provincial authorities say curbsiders are particularly dangerous for consumers. In Ontario, not only might a buyer end up with a wreck, but there is no recourse to get your money back from an unlicensed dealer.

The Ontario Motor Vehicle Industry Council -- or OMVIC -- lays about 2,500 charges a year against curbsiders. Currently the fine for a first offence is \$250. New changes, expected to come in effect later this year, will mean a minimum \$2,500 fine for a first curbsiding offence in Ontario. But enforcement is still a problem.

Fake dealers, frame damaged cars, and bad welds are all in a day's work for Iny - who says the best protection is "doing your own history search and having your garage inspect the vehicle."

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