

Daily Herald

SPADDOCK PUBLICATIONS — 127th Year No. 213

Saturday, May 15, 1999

ILLINOIS

Section 1/Page

Road long in fighting odometer fraud

By ALLISON KAPLAN
Daily Herald Staff Writer

People are willing to pay extra for the peace of mind that comes with buying a used car through a dealer, where customers presumably can be sure of what they are getting.

But even with a warranty, you might not know your used car as well as you think.

A Mount Prospect man recently won \$1.2 million in a civil trial against two used car dealers who the man says led him to believe the 3-year-old Cutlass he purchased for \$11,000 had 28,000 miles and just one previous owner.

Turns out, the car had 99,000 miles and seven prior owners.

But if it wasn't for a Tennessee odometer fraud investigation that led to the tampered Oldsmobile in Mount Prospect, the vehicle owner, who requested anonymity, might never have known why his car had problems from day one.

The Mount Prospect man spent about \$3,000 replacing the fuel pump, brakes, dashboard lights and speedometer on his Cutlass. When the man learned, after his warranty expired, that the car needed engine repairs to stop it from dying at every red light, he parked the defective car in the corner of his driveway and chalked it up to bad luck.

The odometers on as many as seven in 10 leased cars get rolled back, according to a U.S. Senate report. The National Highway Traffic Safety Administration estimates odometer fraud costs consumers \$10 billion each year.

High mileage can reduce the resale value of a car by thousands, said Sgt. Jim Kazimour, head of the odometer fraud unit of the Secretary of State Operations Division.

"Profit margins being what they are, odometer rollbacks are not rare," Kazimour said, though

How to spot a mileage rollback

The Illinois Secretary of State's office provides these tips to make sure you know the used car you're buying:

1. Test drive and inspect the vehicle

- Does the odometer progress properly?
- Are the tires new or mismatched?
- Have parts been replaced that would be unusual for a low-mileage vehicle, like the battery or belts?

2. Review the title

- Current mileage should be greater than mileage on the title
- Does the seller's identification match the name on the title?

3. Get a second opinion

- Have a qualified mechanic examine the vehicle
- Get a title history for \$4 through the Secretary of State's vehicle services department
- Some commercial services like Carfax (at 888-4-CARFAX or www.carfax.com) will provide a complete vehicle history instantly for \$14.95

Source: Illinois Secretary of State

Daily Herald Graphic

much rarer when coming from a dealer. "People are going to try to make more money any way they can."

Odometer fraud can be hard to detect and even more difficult to prove. The few telltale signs — like abnormal brake pad wear or replaced tires on a car with low mileage — are easily covered by a professional. The paper trail to pinpoint a rollback is confusing and can take months.

Sometimes, proving the crime requires extensive digging — in places the average consumer doesn't think to check, said Joseph Longo, attorney for the Mount Prospect car owner.

General Motors service records reflected the mileage discrepancy on the 1990 Cutlass Longo's client purchased in 1993 from Z Frank Oldsmobile of Des Plaines, which closed three years ago. Longo contends the rollback occurred in

Indiana at Portage Auto Sales which sold the car to Z Frank. He argued Z Frank should have been aware of the problem, since the suburban dealership consulted GM on at least three repairs for the car.

A U.S. District Court jury in Chicago agreed, and ordered Z Frank and the defunct Portage Auto Sales, owned by Mehdi Niroumandpou of South Barrington, to pay \$1.2 million in compensatory and punitive damages.

A typical award or settlement in a consumer fraud case such as the one involving Z Frank is no more than \$100,000, making the \$1.2 million award in this case unusually high, said Norman Lehrer, a Wheaton attorney who has been suing car dealerships for two decades.

"The jury decided to send a message," Lehrer surmised. "Most odometer fraud goes unre-

ported. A lot of people can't find lawyers who will handle cases like this. The car dealers have a strong organization."

Whether the Mount Prospect car owner will be able to collect his award remains to be seen. No one from Portage Auto Sales showed up for the February trial and Niroumandpou has yet to be located. Meanwhile, attorneys for the Frank family, which currently runs Z Frank Chevrolet in Chicago, have filed a motion for post-judgment relief, claiming the award is excessive. The judge's decision is pending.

In any event, the Mount Prospect car owner says he'll stop buying new cars from now on.

"I was seeking justice," the man said.

Luckily, he had a case. Most owners don't, Kazimour said, unless a vehicle title has obviously been doctored or a mechanic can vouch for the mileage discrepancy.

So the best way to guard against making a bad purchase is to do research on a car up front. The Secretary of State's office will provide title reports for \$4, but it can take weeks to get results.

"The trouble is, people see a car they like and they want to get it right away," Kazimour said. "It clouds their judgment."

Companies such as Carfax conduct an instant search using state reports, emissions test results and other sources to tell you if a car has been in an accident or had its odometer rolled back. Rollbacks surface in about 10 percent of the 60,000 vehicles Carfax is hired to report on annually, spokesman Larry Gamache said.

Despite the Z Frank case — the first time that company was charged with odometer fraud — attorney Jeff Bergman said Kazimour said buying from a dealer is generally safer than dealing with a private owner.