

NEWS RELEASE

U.S Scam Targeting Canadians Rears Ugly Head Again

Toronto, ON, November 12, 2014 – OMVIC is again warning consumers to beware of a sophisticated online scam targeting Canadian car buyers.

These scams involve ads for high-end late model cars and trucks placed on Kijiji, AutoTRADER, Craigslist and other online marketplaces. “The ads look like they’ve been placed by private sellers but when the consumer calls, they’re told the seller is actually a U.S. dealership and are provided a fairly convincing story as to why the dealer is advertising the vehicle in Canada”, explains Terry O’Keefe, OMVIC Director of Communications. “The problem is, the dealerships and vehicles aren’t real”.

The most recent names these phantom dealerships appear to be operating under are **Garden City Trucks**, supposedly based in Kansas, and **Ken’s Kars Florida**. Once a consumer calls the number listed in the ad they are directed to the ‘dealership’ website. O’Keefe warns consumers not to underestimate the lengths these scammers go to lure consumers. “Most of these websites are very professional and often contain extensive inventory and very convincing customer testimonials.”

This type of phony dealership scam is not a new phenomenon. Last fall, it was Double Eagle Motors ([news release](#)) who claimed to be based in Phoenix Arizona; and OMVIC is aware of many other phantom U.S. dealerships:

- [Husen Original Autos](#)
- [Sprint Luxury Auto](#)
- [Ambient Auto Center](#)

“Unfortunately we know of many Canadians that have been victimized by these scams – most losing tens of thousands of dollars” states O’Keefe. “In the past, when attention was focused on these ‘dealers’, their websites were taken down, only to reappear weeks later under a new name.”

Due to international multi-jurisdictional nature of these online scams, investigations and prosecutions are quite difficult.

The Latest Versions

Recently, OMVIC has heard from a number of car shoppers who encountered the latest iterations of these con artists (Garden City Trucks and Ken’s Kars Florida); fortunately they saw the OMVIC warning AutoTRADER has posted on all private ads and avoided getting ripped-off.

Garden City Trucks

Erica Alaniz found a Nissan Titan she wanted to purchase on AutoTRADER. The advertisement stated the pickup was in Etobicoke but once Alaniz contacted the seller, they explained the truck was being stored at a dealership in Kansas City. The ‘dealer’ seemed willing to bend over backwards to sell the car stating they’d ship the truck to Etobicoke if a deposit were sent electronically. Alaniz considered driving to Kansas to see the vehicle. Fortunately, she became suspicious of the ‘too good to be true’ price and contacted OMVIC before sending the deposit or making an expensive road trip.

OMVIC contacted the Department of Revenue - Division of Vehicles in Kansas who confirmed Garden City Trucks is not licensed or registered. As for the truck - the VIN provided to Alaniz was from a real Nissan Titan - but it’s actually for sale at a dealership in Barrie Ontario.

Ken's Kars Florida

Cam Mandel of Alberta knew what he wanted; a silver Porsche 911 Turbo S with red interior. Searching the online ads he thought he'd found what he was looking for - but then realized the pictures of the car looked eerily similar to another advertisement he had just seen. This one however was priced lower; 15% lower. Mandel called the seller and was told the car was actually in Middleburg, Florida - at a dealership: "Ken's Kars Florida". Fortunately Mandel had a friend in that area who agreed to check out the dealership before sending any money. "It was an empty warehouse. No dealership; no cars".

OMVIC contacted the Division of Motor Vehicles in Jacksonville to investigate whether or not Ken's Kars Florida was a licensed dealership. Florida enforcement staff confirmed Ken's Kars Florida did not exist; at least not any longer. Once a legitimate licensed dealership, Ken's Kars had closed in 2012. "As we've seen in the past, the scammers use the name of a recently defunct dealership that has a history online to gain some element of credibility" explains O'Keefe. This 'dealership' simply took the name to run their car-buying scam.

Note: Since OMVIC contacted the Florida authorities the Ken's Kars Florida website has been taken down; OMVIC expects another bogus site will soon take its place under a new name.

Car-Buying Tips

Any consumer considering buying a vehicle, in another state or province, whether from a dealer or private seller, should consider the following:

- Beware of a price that is considerably lower than the average market price. If a price seems too good to be true it should be seen as a warning, not an opportunity.
- Travel to see the vehicle – don't rely on pictures or a convincing website. If a buyer can't travel to see the vehicle, hire an appraiser or mechanic to inspect the vehicle. They can ensure the vehicle actually exists and the seller is who they claim to be.
- Check with state or provincial regulators/authorities to ensure dealers are licensed.
- Purchase a vehicle history report for the vehicle – don't simply rely on a report provided by the seller: they can be altered.
- Don't wire money or provide a credit card number without first doing all homework.
- Don't do it - consider that the savings are probably not worth the gamble, particularly in light of the rapid proliferation of these scams.

Only when consumers buy from an OMVIC-Registered Dealer are they protected by Ontario's consumer protection laws and have access to the Motor Vehicle Dealers Compensation Fund.

About OMVIC

OMVIC (Ontario Motor Vehicle Industry Council) administers and enforces the [Motor Vehicle Dealers Act](#) (MVDA) on behalf of the [Ministry of Government and Consumer Services](#). OMVIC maintains a fair and informed vehicle sales marketplace by regulating dealers and salespersons, regularly inspecting Ontario's 8,000 dealerships and 25,000 salespeople, maintaining a complaint line for consumers and conducting investigations and prosecutions. OMVIC is also responsible for administering the [Motor Vehicle Dealers Compensation Fund](#) on behalf of its [Board of Trustees](#).

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