

# Automobile Sale Scam



The devil is in the details when signing a contract to purchase a new vehicle.

In the Automobile Sale Scam, dealers include hidden terms and unnecessary add-ons to squeeze more money out of buyers. They know that at the end of a long day of shopping, most people rarely read the fine print.

Unscrupulous dealers may hide extra costs for accessories in the sales contract without disclosing them verbally or by misrepresenting the amount. The final price should be what was agreed upon during negotiations.

Dealers also may try to sell an extended warranty on the vehicle, even when most of what it covers is already protected by the existing warranty or the buyer's own insurance.

When it comes to financing, sellers sometimes push customers to use the dealership's loan agency. These loans may have a higher interest rate for a longer term. Such a loan may appear to be a good deal because of low monthly payments, but buyers pay more in the end.

To learn about other frauds, visit <http://da.lacounty.gov/community/fraud-alerts>

## Helpful Tips

- Read the contract carefully, and don't let the dealer rush you.
- Get preapproved for financing through your own bank or credit union.
- Check the terms and conditions of the extended warranty and compare them to the existing warranty and your insurance coverage.



**IF YOU OR SOMEONE YOU KNOW HAS BEEN THE VICTIM OF A SCAM, PLEASE CONTACT YOUR LOCAL LAW ENFORCEMENT AGENCY.**



*Jackie Lacey*  
District Attorney

07/2018\_Vol.02\_1ss.06



<http://da.lacounty.gov>



@LADAOOffice  
#FraudFriday