



NEW YORK STATE SENATOR

Jeffrey D. Klein

## Klein & Moya call for crackdown on illegal car dealers known as ‘curbstoners’

JEFFREY D. KLEIN November 19, 2015

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*Called on Governor to sign into law legislation to stiffen fines for ‘curbstoners’*

New York, NY — State Senator Jeff Klein (D-Bronx/Westchester) and Assemblyman Francisco Moya (D-Jackson Heights) today released “Curbstoning: Costs and Consequences,” an investigation into the growing epidemic of illegal car dealers selling defective, damaged, and stolen vehicles to unsuspecting victims, all while using New York City streets as their personal showrooms.

Shady, unlicensed dealers pose as personal sellers and place advertisements online, ultimately luring consumers with promises of inexpensive used cars, parked in public spots all over the city. Consumers are left with no recourse after making street-side cash deals.

“Unlicensed car dealers using city streets as showroom squats harm consumers, the city and the state. The curbstoner caught in our investigation parked 20 cars in a residential neighborhood that were uninsured, and then tossed tickets and ditched plates to avoid paying fines. The VIN number of one of the cars an investigator was shown did not check out, leaving any potential buyer with no way to know whether this vehicle was damaged or even stolen. This is extraordinarily distressing. We need this legislation to become law so we

can offer stronger protections to New York consumers and drive these shady dealers out of business,” **said Senator Klein.**

“Curbstoners use public streets as their own personal showrooms,” **said Assemblyman Moya.**

“Curbstoners monopolize parking spots, create additional traffic congestion, and sell dangerous vehicles to unsuspecting customers with impunity. They are untaxed and unregulated and they should be unwelcome in New York. After many years of advocating on this important traffic safety and consumer protection issue, I’m glad to see that it is getting the attention it deserves. The Curbstoning Bill—which is on Governor Cuomo’s desk right now—would stop curbstoners in their tracks. We call on the Governor to sign it without delay. It’s time to put the brakes on curbstoning.”

Senator Klein and Assemblyman Moya urged Governor Cuomo to sign their legislation, S. 5955/A.8009, into law. The bill, which quadruples fines for serial “curbstoners” from \$1,000 to \$4,010, passed the legislature this year.

Investigators caught curbstoner, “George,” in action after he posted nine separate cars for sale on Craigslist over the course of only several days. When investigators met “George” in Brooklyn, his merchandise was parked in clusters on various residential streets.

Parking tickets were accumulated on the windshields of many of his cars. “George” removed and tossed the tickets, boasting to the investigators that he doesn’t pay them and the City is unable to keep up with the numerous license plates he ditches in order to avoid connection to the fines. “George” divulged that none of the vehicles are held in his name, additionally helping him escape any liability.

During a test drive, another curbstoner working with “George,” “Demitri” admitted that the car he was selling was not, in fact, his, and further claimed to know nothing about the car’s

history, other than that it had been purchased out-of-state. The VIN number on a title for the car was unrecognized on multiple databases like CarFax and Edmunds.

“Demitri” mentioned to the investigator test driving a vehicle that the car lacked insurance. When the test drive was over, “Demitri” made sure to save the vacated spot, so that he could continue to use the street as his personal showroom.

The report further revealed the severe, far-reaching consequences of curbstoning. Approximately 470,000 curbstoned vehicles are sold in New York State annually, according to conservative estimates, leaving hundreds of thousands of potentially hazardous or defective vehicles in the hands of unsuspecting buyers, and placing everyone on the road at risk.

Because curbstoners operate outside of the law, they are unregulated and untaxed, leaving the State with no way of knowing if the cheap cars dumped on consumers are safe, or even legally owned. Curbstoners often acquire damaged or totaled cars that have been salvaged, conduct minimal repairs to give the vehicles the appearance that they are safe and operational, and then sell them quickly by offering them at prices that are well below the Kelley Blue Book value.

These potentially damaged and defective vehicles could end up costing buyers thousands of dollars in repairs. Curbstoners’ promises of a vehicle at a bargain targets the young and poor — those who are often most in need of reliable transportation - they prey on those who can least-afford the thousands that repairs to these vehicles could end up costing. Despite the money and time a victim could end up losing on a lemon, buyers have no recourse once the car has been purchased.

It is estimated that curbstoning costs the City and State approximately \$56.4 million per year in lost tax revenue, in addition to the multitude of tickets, fines, registration fees and

associated costs of vehicle ownership, that go unpaid by the shady salesmen.

According to the report, with more than one-in-four classified ads on websites such as Craigslist likely being placed by a curbstoner, consumers looking to save money by purchasing a used vehicle are at an incredible disadvantage, and in need of stronger protection under the law.

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#### RELATED LEGISLATION

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### **2015-S5955**

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- Introduced
  - - In Committee Assembly
    - In Committee Senate
  - - On Floor Calendar Assembly
    - On Floor Calendar Senate
  - - Passed Assembly
    - Passed Senate
  - Delivered to Governor

- Signed By Governor

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Relates to penalties for unregistered dealers

June 13, 2015

Signed by Governor

Sponsored by Jeffrey D. Klein

Do you support this bill?