



OFFICE OF THE
CHAIRWOMAN

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20850

October 18, 2016

The Honorable Jan Schakowsky
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Schakowsky:

Thank you for your letter of September 12, 2016, regarding the Federal Trade Commission's proposed consent orders with General Motors Company, Jim Koons Management Company, and Lithia Motors, Inc. I appreciate your leadership on consumer protection issues, including vehicle safety, and take very seriously the concerns you detail in your letter. I was also grateful for the opportunity to speak with you directly regarding your views on these proposed orders.

The FTC is committed to protecting consumers from unlawful practices in the auto marketplace. In addition to our many outreach efforts, the FTC has focused on curbing deceptive conduct through enforcement. We have brought dozens of actions in recent years, among them a sweep of ten cases against automobile dealers for deceptive advertising and a coordinated federal-state effort that included more than two hundred automobile actions for fraud, deception, and other illegal practices.¹ Many of our cases have prohibited companies from making deceptive claims related to financing and leasing offers. We will continue to act to protect consumers from deceptive claims related to vehicle inspections or recalls.

As I emphasized when we spoke, I agree with the National Highway Traffic Safety Administration that recalls pose safety risks to consumers. While Congress and some states consider legislation to ban the sale of used cars with recalls and other proposals on this issue, the Commission will continue to enforce the FTC Act and work to curb deceptive conduct regarding recalls.

¹ See Press Releases, FTC Announces Sweep Against 10 Auto Dealers (Jan. 9, 2014), <http://www.ftc.gov/news-events/press-releases/2014/01/ftc-announces-sweep-against-10-auto-dealers>; FTC Approves Final Consent Orders in Deceptive Auto Dealers' Ad Cases (May 6, 2014), <http://www.ftc.gov/news-events/press-releases/2014/05/ftc-approves-final-consent-orders-deceptive-auto-dealers-ads>; FTC, Multiple Law Enforcement Partners Announce Crackdown on Deception, Fraud in Auto Sales, Financing and Leasing (Mar. 26, 2015), <https://www.ftc.gov/news-events/press-releases/2015/03/ftc-multiple-law-enforcement-partners-announce-crackdown>. See also <https://www.ftc.gov/news-events/media-resources/consumer-finance/auto-marketplace>.

We are carefully considering the comments we received in connection with the proposed GM, Lithia, and Koons orders, including the views you have shared, and expect to make a final decision in the coming weeks.

If you have additional questions or comments, please feel free to contact me [REDACTED]
[REDACTED]
[REDACTED]

Sincerely,



Edith Ramirez
Chairwoman