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**D A M A G E D**

**WHEN DELIVERED?**

*How the Bailed-Out  
Auto Giants are Ripping Off  
American Consumers*

*“For years, we have been happy with the quality of vehicles delivered by professional carhaul drivers. We are opposed to changes that would jeopardize that.”*

–CHRIS HURD  
CEO, Hurd Auto Mall, Johnston, Rhode Island



## Consumers for Auto Reliability and Safety

**consumer action**

Education and advocacy since 1971

Statement of Consumer Action and Consumers for Auto Reliability and Safety (CARS)

For release November 5, 2009

Washington, D.C.

For decades, Consumer Action and CARS have worked to improve protections for new and used car buyers from vehicles with undisclosed prior damage. One of the most insidious problems American car buyers face is undisclosed damage to *new* vehicles, which may occur while they are being transported to dealership lots. While car buyers are accustomed to inquiring about damage to used vehicles, and obtaining vehicle history reports, they are usually unaware they also need to be on their guard for hidden damage to *new* vehicles.

Exacerbating the problem: Under heavy lobbying by manufacturers and dealers, 37 states have adopted "safe harbor" provisions that allow them to conceal the damage if the cost of repairs falls below a specified threshold. In some cases, that means that a new car could sustain thousands of dollars in damage, but the seller would be under no obligation to inform the car buyer they are being sold damaged goods. The amount of repairs may also be easy for the manufacturers and dealers to manipulate, to stay under the threshold, even when the damage is serious.

In this context, the new stance taken by certain auto manufacturers, who are seeking to cut corners by shifting deliveries of new vehicles from trained, skilled workers to whoever gives them the lowest bid, is very troubling. We applaud the Teamsters for issuing this report, "Damaged When Delivered?" which exposes some of the increased risks car buyers will face. As the report documents, improper handling in shipping can cause structural damage to frames, axles, and other parts essential for maintaining structural integrity and safety.

It is particularly offensive that GM and Fiat-Chrysler are taking the lead in cutting corners, threatening the safety and economic security of the taxpayers and car buyers who have footed the bill—tens of billions of dollars—to bail them out. In their zeal to cut costs, they are also threatening to undermine consumer confidence in the "new" GM and Fiat-Chrysler, at precisely the moment when they should be doing everything they can to restore confidence.

CARS and Consumer Action call on GM and Fiat-Chrysler to reverse direction and instead of cutting corners on auto shipping, take more steps to ensure that their new vehicles are not damaged en route to dealerships. The car buying public deserves no less.

# D A M A G E D

## WHEN DELIVERED?

**Y**our brand new car or truck might look perfect, but the way it was delivered to the dealer might very well have caused damage to the car that could impact its gas mileage, tire wear and even your safety.

Automakers have very strict rules as to how cars are loaded and secured when moved from the factory to a dealership. These rules are to ensure that the cars arrive with no scratches or dents, and more importantly, with no damage to the frame, axles or suspension of the car.

But Chrysler and GM, in an attempt to save a few dollars, are changing their practices so that these new cars are now being brokered by third parties to inexperienced drivers using inappropriate equipment and methods that endanger the vehicles they are delivering to unsuspecting car buyers.

The following photographs of brand new Chrysler and GM vehicles were all taken in October 2009 and document example after example of how the practice of replacing professional, trained haulers with cut-rate carriers is putting your vehicle, and your safety, at risk.

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### Carhaul Industry Under Attack

**The carhaul industry is under attack by GM and Chrysler and this attack will have serious repercussions, including:**

- **Threats to public safety;**
- **Possibly damaged vehicles; and**
- **Loss of good auto industry jobs that the taxpayer-funded bailout was supposed to protect.**



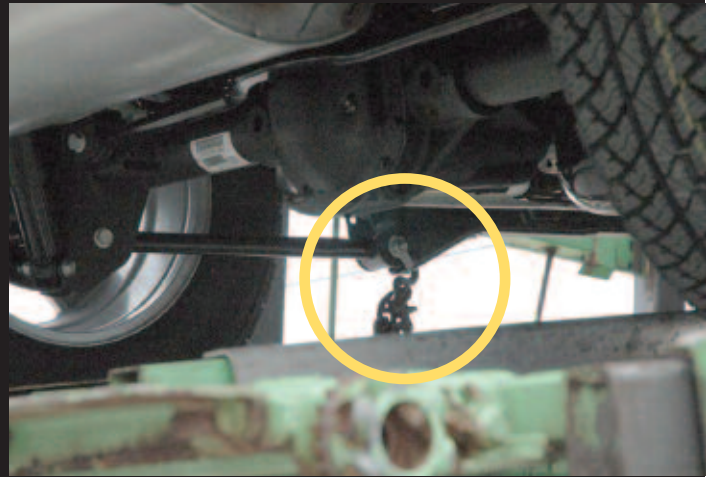
*“Buyer beware for the consumers and for the dealers.  
Consumers are totally unaware that there could be critical  
things that are wrong with the vehicles they are purchasing.  
Dealers could also be buying damaged goods.”*

–JOHN HASLEY

a professional car hauler for more than three decades



**According to the manufacturers' regulations, all vehicles are to be secured to the deck of the rig at four specific locations on the vehicle's frame. In the top left of this photo, the white pickup and black car are secured by only two chains with S hooks rather than the required R hooks. This puts undue stress on the frame of the pickup that could cause structural damage, which could compromise the vehicle's ability to protect passengers in a crash.**



**Both Chrysler and GM require the use of an R hook to secure vehicles. The R hook is designed to spread the pressure over more of the frame when it is secured. In this photo, S hooks, which are inadequate but easier to use, are securing this vehicle. S hooks isolate the pressure points on the frame and could cause structural damage.**



**Auto manufacturers engineer and design their frames to include specific holes in the frame that are to be used to secure vehicles during transportation. These holes are located where the frame is strongest. But these vehicles were secured to the rig using the wrong hole in the frame. This could cause damage to the vehicle's frame or suspension.**





# DAMAGED

## When DELIVERED?

The rear wheels of this new car are improperly settled in a gap in the rig with nothing to support them. This could allow damage-causing shifting to occur during transport. Even worse, an accident or rapid deceleration during transport could cause the vehicle to become airborne, posing a tremendous hazard to other motorists.



*“This is also a growing public safety issue. As more inexperienced carhaulers take to the roads, the dangers are mounting for other motorists as well. These poorly secured vehicles could fall off the trucks.”*

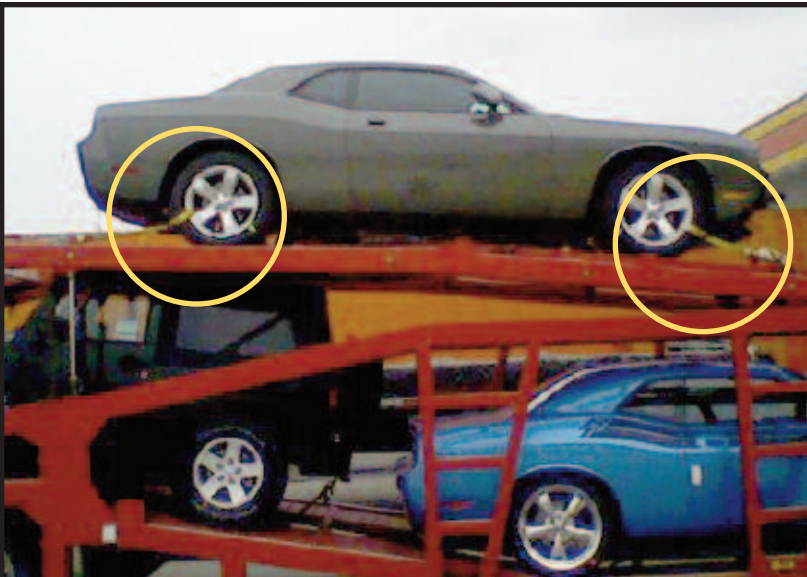
–JOHN HASLEY



**There are a number of things that are wrong about how these Cadillacs were secured to this rig. The cars on the top are supposed to be secured by four chains using R hooks to specific parts of the frame with the chains at certain angles—this was not done. The car at the bottom is secured with canvas straps that simply run through the rim of the wheel, which is improper. This**

**puts a tremendous strain on the suspension and alignment, and does not adequately secure the car to the rig. This car could have damage to its tires, rims and/or axles that will cause steering problems, premature tire wear and lower gas mileage. There could also be damage to the suspension that would compromise the handling and safety of the vehicle.**





**This Dodge Challenger was also secured by running straps through the tire rims, posing the same risks to the car and the owner as the methods used to hold down the Cadillacs in the previous photos. The inexperienced hauler who loaded these vehicles also lowered the ramp holding the Challenger down to the point that it is resting on the roof of the Jeep beneath it. If the Jeep is not already damaged, it will be as soon as this load shifts in any way.**

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## **D A M A G E D** When **DELIVERED?**

*“Serious problems are on the horizon. The automakers are trying to get work for nothing, which diminishes the quality of the carriers they get to haul their cars. The long-term impacts not only affect the quality of the cars that are delivered, but also threaten public safety.”*

**–RODNEY YOUNG**  
a 26-year carhaul veteran who has worked both for professional carhaul carriers and for a carhaul broker



1

# DAMAGED

When DELIVERED?

Photo 1: Correct Wheel Straps

Photos 2 and 3: Incorrect Wheel Straps



2



3

Industry standards require that the tire straps be strapped around the outside of the tire, on all tires, as seen in photo #1. But the back ends of the pickup trucks in photos #2 and #3 are tied down only with a strap on the rear tire. And the strap is incorrectly placed straight up and down, not around the tire as required. This means that no matter how tightly this

strap is secured the vehicle can rock back and forth. This could damage the parts of the trucks that secure the tires and rims to the rest of the car. This also does not adequately prevent vehicles from rolling, so putting vertical straps on the back wheels of the white pickup truck at the back edge puts anyone driving near this rig at risk.



**Trained, professional car haulers know more than how to properly load a vehicle to prevent structural damage. They also understand the need to deliver vehicles without any scratches or dents.**

**The professional car haulers know that car buyers assume their vehicles are new, not repaired after being damaged in transit. They wear uniforms that won't cause scratches in case the driver has to lean over or move past a vehicle.**

**The person who loaded this vehicle had no such concerns. The photo clearly shows chains hanging down over the red Jeep that will sway when moving and rub up against the vehicle, which will likely cause damage to the paint and possibly the hood or windshield.**

**For more information on how the bailed-out auto giants are ripping off American consumers and destroying good jobs, go to [www.CarBuyersBeware.com](http://www.CarBuyersBeware.com).**

**For about three of his 31 years, Hasley worked as an independent owner-operator. As a result, he has seen both sides of the carhaul industry.**

*“The difference between professional and cut-rate carriers is night and day. Doing work for these owner-operator brokerages is kind of like living in the wild, wild west. There are no rules. But these larger, longtime professional carriers are able to implement and enforce rules and regulations, which exist to ensure safety and prevent damage.”*

**–JOHN HASLEY**

**AUTO BAILOUT.  
JOBS DESTROYED.  
SHOWROOM PROTESTS.  
ENOUGH.**

**Sergio Marchionne**  
CEO, Chrysler Group LLC  
Auburn Hills, MI

Dear Mr. Marchionne,

This is killing us. We are in the worst economic crisis since the Great Depression. No segment of the economy has been hit harder than America's new car and truck industry. And now we learn that carhaul operations are being transferred to nonunion firms, causing the Teamsters to respond by handbilling at our businesses. With protestors at our showroom doors, we are taking a PR hit because you substitute cut rate drivers for the professional car haul drivers who have historically delivered our vehicles. Many of these replacement drivers come with little experience, inadequate training, no accountability, and inadequate equipment. Some of them are hauling new cars with flat bed trucks or other equipment that is not designed to protect new cars over long distances.

Dealers selling American cars already have the most to worry about in our industry during these difficult times. By large numbers, American consumers opposed the bailout of GM and Chrysler, which was touted as a job-saving necessity. This latest gambit may finally do us in. We urge you to reconsider. By protecting long-term car haul employees, you protect your brand and you protect us, your network of dealerships.

**An Open Letter from America's Fiat/Chrysler Dealers**

Alan Graf, President  
Teterboro Chrysler Jeep, Little Ferry, NJ

Billy McMahon, Director of Sales  
Victorville Motors, Victorville, CA

Carlos Rodriguez, General Sales Manager  
Planet Dodge Chrysler Jeep , Miami , FL

Charles C. Eddy Jr., Vice President  
Bob & Chuck Eddy Chrysler Dodge Jeep,  
Austintown, OH

Criag W. Ruskaup, Sales Manager  
O'Daniel Automotive Group,  
Fort Wayne, IN

Curtis B. Kassel, Vice President  
Chrysler Jeep of North Olmsted,  
North Olmsted, OH

Dave Lusz, General Manager  
Anderson Dodge Jeep, Rockford, IL

David P. Kelleher, President  
David Dodge, Glen Mills, PA

Eleazar Sanchez, Sales  
Moss Bros Chrysler Jeep Dodge,  
San Bernardino, CA

Eugene C. Barbera, President  
Gary Barbera Chryslerland,  
Philadelphia, PA

Frank Sorrento, General Sales Manager  
Grava Chrysler-Jeep & Dodge,  
Medford, MA

Hanoi Bendell, General Manager  
Major Chrysler Jeep Dodge,  
Long Island City, NY

Jeff L. Briggs, General Manager  
Olathe Dodge Chrysler Jeep , Olathe, KS

Jennifer Shelby, President  
Shelby Motors, Champaign, IL

Jerry Cenino, Finance Director  
Decozen Chrysler Jeep , Verona, NJ

John Clark, General Manager  
Jack Wolf Chrysler, Belvidere, IL

John Kaye, President  
DuPage Dodge, Wheaton, IL

Keith J. Purdon, General Sales Manager  
Freedom Chrysler , Lexington, KY

Kenneth Thomas, General Manager  
Telegraph Dodge, Taylor, MI

Kevin Kress, General Manager  
Commonwealth Dodge, Louisville, KY

Kevin Lawyetz, General Manager  
Jay Wolfe Dodge Chrysler Jeep, Lees  
Summit, MO

Koehler, Regional Vice President  
Sonic Massey Plymouth, Columbus, OH

Mario Weber, General Manager  
Midway Dodge, Chicago, IL

Mark Zavist, Chief Operating Officer  
DMT Automotive Enterprises (Toresco),  
Springfield, NJ

Mike Miller, Sales Manager  
Zeigler Chrysler Dodge Jeep,  
Schaumburg, IL

Mike Smith, Dealer  
Orlando Dodge, Chrysler, Jeep,  
Orlando, FL

Paul Hrnchar, Vice President  
Strongsville Dodge, Strongsville, OH

Paul McSkimming, General Sales Manager  
Riverfront Chrysler Jeep Dodge,  
N. Aurora, IL

Paul Steel, Vice President  
Southfield Dodge Chrysler Jeep,  
Southfield, MI

R. J. Kufletner, President  
Salem Chrysler Jeep Dodge ,  
Salem, OH

R. J. Kufletner, President  
Columbiana Chrysler Jeep Dodge,  
Columbiana, OH

Richard Ferraro, Detail Manager  
Ferman Chrysler Jeep Dodge at  
Cypress Creek, Lutz, FL

Richie Rescithe, General Manager  
South Chicago Dodge Chrysler Jeep,  
Chicago, IL

Rocco Peluso, Sales Manager  
Albany Dodge, Albany, NY

Thomas Eysie, General Sales Manager  
Central Chrysler Jeep, Raynham, MA

Thomas Eysie, General Sales Manager  
Central Chrysler Jeep Dodge of Norwood,  
Norwood, MA

Timothy E. Ryan, General Manager  
Warnock Dodge, Chrysler, Jeep,  
East Hanover, NJ

Timothy E. Ryan, General Manager  
Warnock Dodge Chrysler Jeep (Morris-  
town), Morristown, NJ

Tony Rahimzadeh, General Sales Manager  
North Point Chrysler Jeep Dodge ,  
Winston-Salem, NC

Winston R. Pitiman, Sr., President  
Cardinal Dodge, Louisville, KY

Alan Siegel, General Manager  
Mancari Chrysler, Oak Lawn, IL

Alex Gomez, Sales Manager  
Garden City Jeep Chrysler Dodge,  
Hempstead, NY

Bob Cleveland, General Sales Manager  
Ramsey Chrysler Jeep Dodge, Ramsey, NJ

Dave Butkus, President  
Freehold Chrysler, Freehold, NJ

Frank Teuton, General Manager  
Southland Dodge, Houma, LA

Garry Foltz, General Manager  
Buhler Chrysler Jeep, Hazlet, NJ

J.M. Hilleny, President  
Transitowne Dodge Chrysler Jeep of  
Williamsville, Williamsville, NY

Joe Ellsasser, General Manager  
Golling Chrysler, Jeep, and Dodge,  
Bloomfield Hills, MI

John Berry, General Manager  
Bonneville and Son, Manchester, NH

John V. Werner, President  
Werner Automotive, Belford, NJ

Johnny Pipitt, Sales Manager  
Redlands Chrysler, Jeep, Dodge, Red-  
lands, CA

Kasey R. Shirey, Sales Manager  
Glenbrook Dodge Chrysler Jeep,  
Fort Wayne, IN

Matt Roe, Owner  
Moore Chrysler Jeep Inc., Peoria, AZ

Michael P. Sullivan, New Car Manager  
Overland Park Dodge Jeep,  
Overland Park, KS

Oneita M. Fellows, General Manager  
Crestwood Dodge Jeep, Garden City, MI

Remsen Strzub, President  
Remsen Dodge, Hazlet, NJ

Ryan Burke, New Car Manager  
Suburban Chrysler Jeep Dodge, Inc.,  
Novi, MI

Terry Mutton, Inventory Manager  
West-Herr Chrysler Jeep,  
Orchard Park, NY