



**AUTOMOTIVE
RECYCLERS
ASSOCIATION**
ESTABLISHED 1945



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Unregulated Internet Automobile Sales are a Ticking Time Bomb

Automotive Recyclers Association Pushes Lawmakers to Close Loopholes and to Review Outdated Vehicle Regulations

Manassas, VA –The Automotive Recyclers Association (ARA) is calling upon state lawmakers to review and update gaps in laws that allow: (1) vehicles to be sold and transferred without the proper paperwork; (2) allow total loss vehicles, vehicles damaged so severely that the cost of repairs and the salvage value combined exceed the current value of the vehicle, back on the road and (3) allow individuals to bypass important environmental regulations regarding the safe disposal of vehicles. Last year alone, some three million-plus total loss vehicles were sold at salvage pool auctions throughout the United States – many of which were sold to unregulated buyers via the Internet.

In a steep departure from past practices, these severely damaged motor vehicles are now electronically bypassing state laws and regulations. “Most of the safeguards in place across the country were instituted before the explosion of the Internet and don't take into account the ease and reliance of our society on Internet commerce. Every day in the United States, individuals and entities are using the Internet to bypass safety standards and circumventing state statues designed to protect consumers and the environment,” says Michael E. Wilson, Automotive Recyclers Association’s Chief Executive Officer.

Terrorist networks and organized crime syndicates are exploiting loopholes to fund their criminal activities. In fact, many severely damaged total loss vehicles that are sold through salvage auctions are fetching huge sums because criminals merely want the VIN plate and paperwork that go with these vehicles. The purchasers can then use this information to cover up undamaged stolen vehicles by replacing the VIN’s and corresponding paperwork from the total loss vehicle — securing tens of thousand of dollars in financial gain from the sales of clean stolen vehicles.

Based on press accounts, the Times Square bombing suspect Faisal Shahzad purchased the 1993 Nissan Pathfinder through a cash deal made on the popular consumer Web site Craigslist. No documents were exchanged and no vehicle registration was recorded. The \$1,300 deal was finalized at a Connecticut shopping mall where the buyer handed over the money to the unsuspecting seller and drove off. Shahzad then destroyed one Vehicle Identification Number (VIN) on the Pathfinder not realizing it had many others. This mistake gave investigators the ability to trace the car to the Connecticut seller. Shahzad also used a stolen license plate to drive the car into New York City.

“Loopholes like this result in the defrauding of consumers on motor vehicle sales and purchases, criminal activity of all sorts, and even the bypassing of safe environmental regulations regarding the disposal of retired vehicles. The Time Square bombing attempt should be a wake-up call to elected officials throughout the country to review motor vehicle sales statues,” Wilson adds.

Ultimately, ARA will continue to advocate for the protection of the consumer and the automotive recycling industry from potential fraud and environmental hazards that modern technology and commerce opportunities have created, and also continue to highlight loopholes in outdated laws and regulations.

Established in 1943, the Automotive Recyclers Association (“ARA”) represents an industry dedicated to the efficient removal and reuse of “green” automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents over 4,500 auto recycling facilities in the United States and fourteen other countries around the world. With programs such as the Certified Automotive Recycler Program (CAR) and other partnerships, ARA members continue to provide consumers with quality, low cost alternatives for vehicle replacement parts, while preserving our environment for a “greener” tomorrow. To learn more about the Association, visit ARA online at www.a-r-a.org or call (571) 208-0428.