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Attorney General James Secures \$350,000 from Long Island Nissan Dealers for Cheating Consumers

Two Long Island Nissan Dealers Required to Repay More Than 200 Consumers Who Were Overcharged for End-of-Lease Buyouts

Latest Action by AG James to Stop Deceptive Practices at Car Dealers, AG James Has Recovered More Than \$2.25 Million Total from Seven Nissan Dealers in NYC and on LI

NEW YORK – New York Attorney General Letitia James today secured more than \$350,000 from two Long Island Nissan dealerships, Route 112 Nissan and South Shore Nissan, for overcharging more than 200 New Yorkers who wanted to purchase their leased vehicles at the end of their lease term. An investigation by the Office of the Attorney General (OAG) found that the dealerships in Patchogue and Amityville added junk fees or falsified the price of leased vehicles that consumers wanted to buy when their lease ended. The investigation also revealed that Route 112 Nissan violated a previous settlement with OAG that required the dealership to stop giving consumers fraudulent invoices with junk fees. Today's settlement requires Route 112 Nissan to pay penalties for violating its prior settlement, penalties for overcharging on end-of-lease buyouts, and restitution to consumers who paid more for their vehicles than they were promised. South Shore Nissan is also required to refund consumers and pay penalties. This is the latest action by Attorney General James to stop deceptive practices at Nissan dealers. In total Attorney General James has recovered more than \$2.25 million from seven Nissan dealers for consumers who were cheated.

"When dealers illegally drive up car prices, they cheat hardworking New Yorkers who rely on their cars every day to get to work or take their kids to school," said **Attorney General James**. "Many New Yorkers are struggling to make ends meet and car dealers that add bogus fees onto their bills are making it harder for consumers to keep up with the cost of living. Today we are putting money back in the pockets of defrauded New Yorkers and reminding car dealers to steer clear of violating our laws and deceiving consumers."

The OAG opened an investigation into Nissan 112 and South Shore Nissan after consumers reported they were being overcharged and given inaccurate receipts. Consumers leased their Nissan cars under an agreement that gave them the option to purchase the vehicle for a set amount after the lease term ended. However, the OAG investigation found that when the consumers returned to the dealerships when their leases were up to buy their car, the dealerships substantially overcharged them. From 2020 to 2023, the dealers either added miscellaneous "dealership fees" or

"administrative fees," or inflated the vehicle's price on the invoice given to the consumer.

The OAG's investigation also found that Route 112 Nissan violated a 2015 agreement with OAG that required the dealership to stop issuing deceptive invoices that bundled together multiple after-sale products, like warranties, without clearly disclosing their price to the consumer before purchase.

Under the agreements announced today:

- South Shore Nissan will pay \$33,191 to 120 overcharged consumers in restitution and pay a \$31,200 penalty; and
- Route 112 Nissan will pay \$39,390 to 103 overcharged consumers in restitution and pay a penalty of \$250,000 for overcharging for end-of-lease buyouts and violating its prior settlement.

Consumers entitled to restitution do not need to take any action to receive the payments and the dealerships have already begun paying restitution through mailed checks in the full amount of the overcharge. The dealerships have also agreed to reform their invoicing practices to ensure all lease buyout customers are neither overcharged nor provided with inaccurate receipts.

Attorney General James asks any consumers who may have been affected by deceptive or fraudulent lease buyout practices to file a consumer complaint online.

This matter was handled by Assistant Attorney General Alec Webley of the Consumer Frauds and Protection Bureau, under the supervision of Bureau Chief Jane M. Azia and Deputy Bureau Chief Laura J. Levine. The Consumer Frauds and Protection Bureau is a part of the Division of Economic Justice, which is led by Chief Deputy Attorney General Chris D'Angelo and overseen by First Deputy Attorney General Jennifer Levy.

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