



Auto Safety Group • Congress Watch • Energy Program • Global Trade Watch • Health Research Group • Litigation Group
Joan Claybrook, President

Feb. 6, 2008

Contact: Joe Newman (202) 588-7703
Angela Bradbery (202) 588-7741

Vehicle Database Never Created Despite 1992 Law; Consumer Groups Sue

Statement of Joan Claybrook, President, Public Citizen*

Note: This statement was delivered at a press conference.

In 1992, a rash of high-profile carjackings prompted Congress to combat the growing problem through legislation that would beef up criminal penalties for auto theft. But lawmakers were also concerned about auto fraud that followed the theft, particularly the stripping of vehicles to sell the parts separately, as was Public Citizen.

Another egregious vehicle fraud was addressed by the Congress at the same time: When vehicles are totaled, rebuilt and sold to unsuspecting consumers as good as new, many states do not require a clear chain of title so that buyers would be informed. Congress focused on the issue and required the executive branch to act.

The result was a bill initiated by then-Rep. Chuck Schumer that addressed both auto theft and auto fraud. It required the federal government to create a National Motor Vehicle Title Information System – a single national database that would provide the public with information about vehicle title and history information gathered from states, junk and salvage yards, and insurance companies.

Nothing happened for a few years. In frustration, Congress in 1996 transferred responsibility for creation of the database from the Department of Transportation to the Department of Justice.

It is now 2008, and the database required by Congress still does not exist. This unreasonable delay must be addressed. The Department of Justice hasn't even taken the first regulatory steps necessary to creating it despite listing it for years as an action item in its semi-annual regulatory plan. Meanwhile, people like Alicia Purvis of Baton Rouge, Jed Faulkner of Farmville, Va., and Katherine Green of Pontiac, Ill. – who are with us today along with several other consumers who will tell us their stories – became fraud victims when they were sold salvage vehicles without their knowledge.

The problem, of course, is that these vehicles can be too dangerous to drive. They can have frame damage, suspension damage and other structural damage that can affect the vehicles' handling and structural integrity. They can have electrical and mechanical problems, as well as non-working airbags and compromised seatbelts and restraint systems.

The information about the history of these vehicles exists in state records, insurance company files and the transaction information of junk and salvage vehicle dealers. However, those most at risk – the consumers – do not have the information but most deserve it.

We need a national solution. We need that database. The law requires it.

That's why we are filing a lawsuit today against the Department of Justice for unreasonable delay in fulfilling its obligations. We are asking that the court find the Department of Justice in violation of the 1992 law and order the agency to issue the regulations within 30 days of finding the agency in violation. Joining us as plaintiffs are Consumer for Auto Reliability and Safety (CARS) and Consumer Action.

To tell us more about the lawsuit is Deepak Gupta, attorney for Public Citizen.

** Joan Claybrook was NHTSA administrator from 1977-1981.*

###

Public Citizen is a national, nonprofit consumer advocacy organization based in Washington, D.C.
For more information, please visit www.citizen.org.