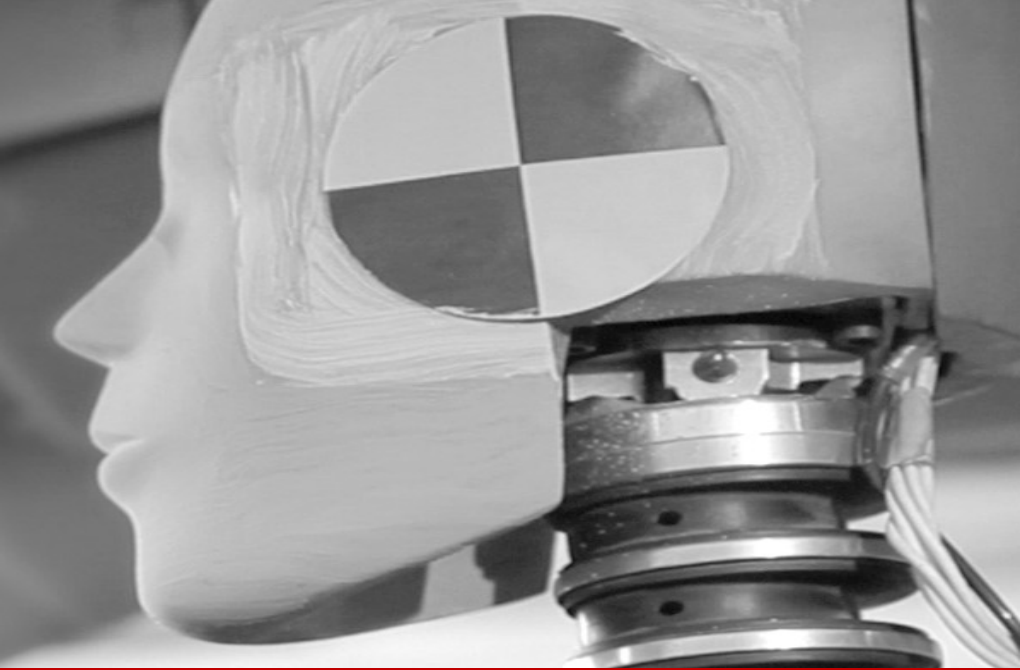


Odometer Fraud



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Office of Odometer Fraud Investigation

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Program Overview

- Mission: Reduce the cost of vehicle ownership and promote vehicle safety by deterring odometer fraud
- Criminal Investigations
- Federal / State & Local Partnerships
- Consumer Outreach
- Collaborate with US DOJ prosecutors & NHTSA's Chief Counsel

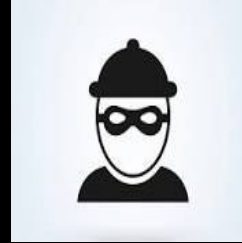
Relevant Federal Statutes

- Title 49 United States Code Chapter 327
- Prohibits:
 - altering an odometer intending to change the mileage registered...
- Allows for:
 - service, repair, or replacement if the mileage registered remains the same; otherwise...
- Requires:
 - written mileage disclosure upon transfer of ownership; exemptions...

Example Odometer Fraud Scam



Scammer(s)



Odometer rolled back



Suspects procure high mileage, low cost vehicles via online marketplace or vehicle auction

Suspects sell rolled back vehicle



Victim discovers scam when servicing vehicle

CARFAX Additional History Not all accidents / issues are reported to CARFAX	Owners 1-2	Owner 3	Owner 4
Total Loss ⓘ No total loss reported to CARFAX.	✓ No Issues Reported	✓ No Issues Reported	✓ No Issues Reported
Structural Damage ⓘ CARFAX recommends that you have this vehicle inspected by a collision repair specialist.	✓ No Issues Reported	✓ No Issues Reported	✓ No Issues Reported
Airbag Deployment ⓘ No airbag deployment reported to CARFAX.	✓ No Issues Reported	✓ No Issues Reported	✓ No Issues Reported
Odometer Check ⓘ Inconsistent mileage indicated.	✓ No Issues Indicated	✓ No Issues Indicated	Mileage Inconsistency
Accident / Damage ⓘ Accident reported: 10/18/2017.	Minor Damage	No New Issues Reported	No New Issues Reported
Manufacturer Recall ⓘ No open recalls reported to CARFAX. Check with an authorized Toyota dealer for any open recalls. View Toyota disclosure	✓ No Recalls Reported	✓ No Recalls Reported	✓ No Recalls Reported



Victim meets suspect



Victim defrauded by thousands of \$\$



2012 ford explorer Limited SUV - \$7,500

2012 ford explorer
fuel: gas
odometer: 90,000
title status: clean
transmission: automatic
type: SUV

Selling my 2012 ford explorer Limited SUV
4 wheel drive clean title registration up to date
Snagged 37500
9.2.5.3.4.8.6.6.0.1

Example Ad - Indicators

2007 Toyota Sequoia Limited 4WD - \$19,000 (Orangevale)

2007 toyota sequoia limited 4x4

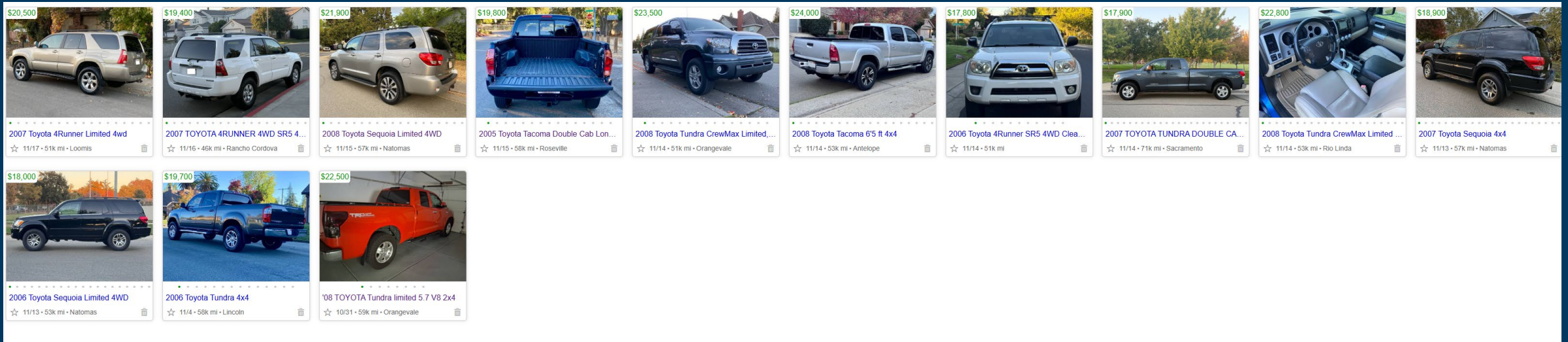
condition: like new
cylinders: 6 cylinders
drive: 4wd
fuel: gas
odometer: 55,000
paint color: black
title status: clean
transmission: automatic
type: SUV

Selling my 2007 Toyota Sequoia Limited 4WD. It's been in the family for years and treated with care. The V8 runs great, shifts are smooth, and 4WD works like it should. The body looks nice, no rust, no dings, inside is clean and comfortable. Call me at 555-555-5555. A/C, blue, and...

Fraud Indicator:

- Model year 2010 or older with too low miles
- Multiple ads appear similar
- License plates blurred out
- Phone number suspiciously displayed
- TOO GOOD TO BE TRUE

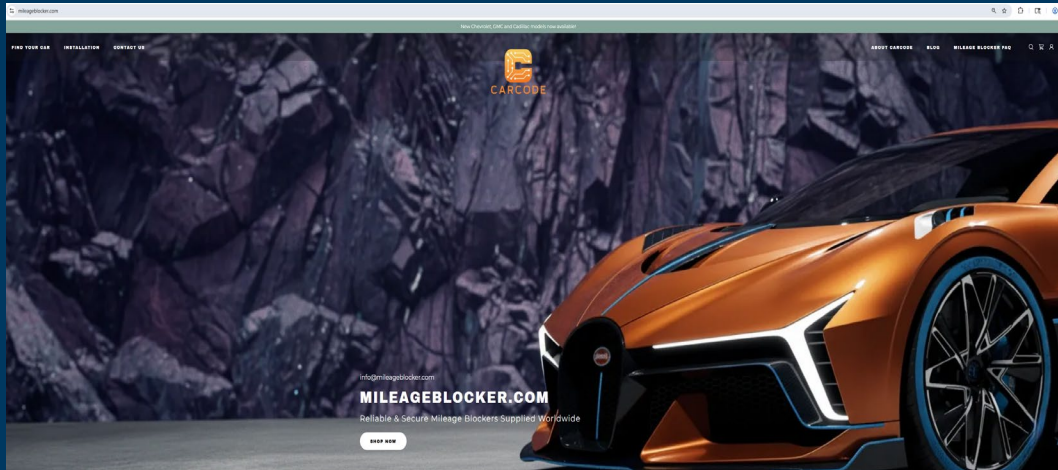
Example Ad – Series of listings, same crew



Fraud Indicators:

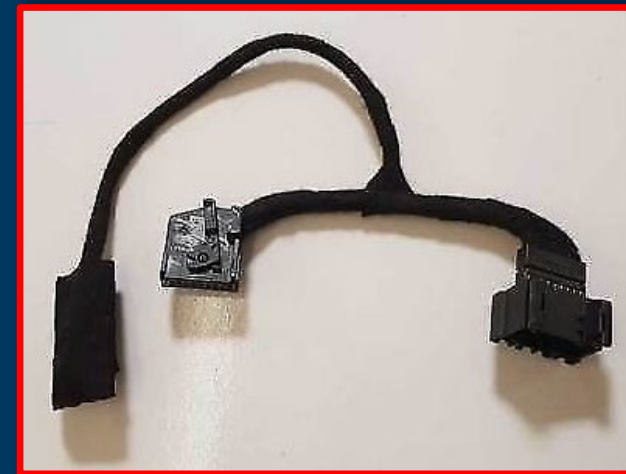
- Model year 2010 or older with too low miles
- Multiple ads appear similar
- License plates blurred out
- TOO GOOD TO BE TRUE

More difficult trend ... Mileage/Odometer Blockers



Office of Odometer Fraud Investigation

- Program has computer forensic capabilities including vehicle infotainment systems and mobile phones
- 2020 e-odometer disclosure rule to support commerce & 2021 extension of the odometer disclosure exemption to deter fraud in older vehicles
- In December 2023, Carfax identified 2.1 million vehicles with rolled back odometers – an increase of over 14% in the last 2 years





PRESS RELEASE

Illinois Man Convicted at Trial of Odometer Tampering Conspiracy

Tuesday, July 30, 2024

Share >

For Immediate Release
Office of Public Affairs

After a week-long trial, a federal jury convicted an Illinois man last Friday of conspiracy to commit securities fraud, for agreeing with his brother and another man to alter the odometer readings on hundreds of used cars and sell those cars to unsuspecting consumer victims.

PRESS RELEASE

Kansas car dealer indicted for rolling back odometers

Monday, March 18, 2024

Share >

For Immediate Release
U.S. Attorney's Office, District of Kansas

WICHITA, KAN.–A federal grand jury in Wichita returned an indictment charging a Kansas businessman with 27 counts of criminal misconduct connected to altering vehicle odometers.

According to court documents, Adam Newbrey, 31, of Derby operated three used car dealerships in Wichita including Ideal Motors, Midwest Wholesale, and Prestige Motors.

PRESS RELEASE

Othello Man Indicted for Rolling Back and Replacing Odometers

Monday, September 9, 2024

Share >

For Immediate Release
U.S. Attorney's Office, Eastern District of Washington

Spokane, Washington – On September 4, 2024, a federal grand jury for the Eastern District of Washington returned an indictment charging Reynaldo Valdez Garza Jr., age 52, of Othello, Washington, with five counts of Odometer Tampering. Garza made his first appearance in Federal Court on September 9, 2024.



PRESS RELEASE

Two Maryland Men Charged With Conspiracy To Commit Odometer Tampering And Securities Fraud

Wednesday, November 13, 2024

Share >

For Immediate Release
U.S. Attorney's Office, District of Maryland

Baltimore, Maryland – A federal grand jury returned an indictment charging Jerry John Mathins, age 50, of Laurel, Maryland, and Braysean Owens, age 23, of Baltimore, Maryland, with conspiracy to commit odometer tampering and three counts of securities fraud.

The indictment alleges that, along with other known and unknown co-conspirators, Owens purchased used vehicles with high mileages at auction and altered the titles of those vehicles to reflect a significantly lower odometer reading. Then, Owens and Mathins caused the odometers of those vehicles to be falsely lowered, consistent with the altered titles. Finally, on behalf of B-City Auto & Detailing, a Rosedale, Maryland vehicle dealership, Owens and others, sold hundreds of these vehicles to unsuspecting buyers. These buyers paid, in some instances, thousands of dollars more than they would have if they knew the true mileage of these vehicles.