

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

Steer Clear of “Cash for Clunkers” Scams

Scam artists follow the headlines, so it's no surprise that they're trying to profit from the federal government's new “cash for clunkers” program. Officially known as the Car Allowance Rebate System (CARS), the program helps you buy or lease a new, more fuel efficient vehicle when you trade in a less fuel efficient vehicle. It is administered by the U.S. Department of Transportation's (DOT) National Highway Traffic and Safety Administration (NHTSA).

The Federal Trade Commission (FTC), the nation's consumer protection agency, says that while many websites offer information about the CARS program, there is only one official government site — **cars.gov**. The site has answers to frequently asked questions, links to the website of the Environmental Protection Agency that will tell you whether your old car qualifies, and a timeline for the program.

The FTC cautions consumers to avoid so-called “cash for clunker” websites that ask for personal information, including your name, address, and Social Security number, so they can “register” you for the program. There is no registration requirement for consumers; only new car dealers need to register to participate. Scam artists often create bogus sites as a trick to get your personal information. Then, they can commit identity theft or other types of fraud.

How the CARS Program Works

If you have a vehicle that is less than 25 years old, is drivable, gets 18 miles per gallon or less, and has been titled and insured in your name for at least a year, the federal government could give you a rebate — in the form of a credit — worth up to \$4,500 when you trade it in on a new vehicle. The exact amount of the credit varies depending on the vehicle you're trading in, and the one you're buying or leasing. You must bring your title, registration, and insurance papers showing continuous coverage for the past year to the transaction. Participating new car dealers will apply the credit, reducing the price you pay for your purchase or lease. The government will reimburse the dealer.

DOT began operating the program July 27, 2009. It ends November 1, 2009, or when it runs out of money — whichever comes first.

For More Information

To learn more about the CARS program, visit **cars.gov**.

To learn about protecting your personal information, visit **ftc.gov/idtheft**.

Report Fraud

If you suspect fraud related to the CARS program, call the National Highway Traffic and Safety Administration (NHTSA), toll-free at 1-866-CAR-7891.

If you come across a “cash for clunkers” website that is trying to get you to disclose personal information, report it to the FTC at **ftc.gov**, or 1-877-FTC-HELP.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit **ftc.gov** or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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