

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Maureen K. Ohlhausen
Terrell McSweeney

_____)
In the Matter of)
) DOCKET NO. C-4596
General Motors LLC,)
a limited liability company)
_____)

COMPLAINT

The Federal Trade Commission, having reason to believe that General Motors Company (“Respondent” or “GM”) has violated provisions of the Federal Trade Commission Act (“FTC Act”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent is a Delaware limited liability company with its principal office or place of business at 300 Renaissance Center, Detroit, MI 48265. Respondent has marketed and advertised for sale used GM motor vehicles.
2. The acts or practices of Respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
3. Since at least November 2014, Respondent has disseminated or has caused to be disseminated advertisements promoting the sale of “Certified Pre-Owned Vehicles.” Respondent establishes criteria for certifying pre-owned vehicles, which are then inspected and sold by Respondent’s local dealerships. Respondent provides consumers a 12-month/12,000-mile “bumper to bumper” warranty for each Certified Pre-Owned Vehicle.
4. Respondent’s advertisements for Certified Pre-Owned Vehicles include, but are not necessarily limited to, advertisements and marketing materials posted on the website www.gmcertified.com, excerpts of which are attached as Exhibits A through F. On this website, Respondent advertises Certified Pre-Owned Vehicles that are available at its affiliated local dealerships by, among other things, allowing consumers to search for individual cars and providing descriptions of these cars.
5. Respondent’s advertisements on its website have included the following claims regarding its Certified Pre-Owned Vehicles:

**“We check it, so you don't have to.
172-Point Inspection and Reconditioning**

Our detailed, 172-Point Vehicle Inspection and Reconditioning Process is one of the most comprehensive in the industry. Before any Chevy, Buick, or GMC used vehicle earns the title of Certified Pre-Owned, it must first meet all of our rigorous standards.

Our 172-Point Vehicle Inspection and Reconditioning Process is conducted only by highly trained technicians and adheres to strict, factory-set standards to ensure that every vehicle’s engine, chassis, and body are in excellent condition. The technicians ensure that everything from the drivetrain to the windshield wipers is in good working order, or they recondition it to our exacting standards. The vehicles are road-tested, put up on a lift for a complete underbody and frame inspection, and then completely checked for any cosmetic flaws.

And we do check it all. From the engine block to the shocks, right down to the floor mats, no major system is overlooked. If it fails a single point, we completely recondition it – or it won’t be Certified.”

Exhibit A.

6. Respondent also provides on its website a checklist of all items that its local dealers review as part of Respondent’s 172-point inspection. This checklist includes “open recalls”:

REVIEW THE VEHICLE’S HISTORY:	PASS	FAIL
...		
Open Recalls	<input type="checkbox"/>	<input type="checkbox"/>

Exhibit B.

7. Even though it has made the claims set forth in Paragraphs 5 and 6, until at least June 2015, Respondent has advertised on its website numerous Certified Pre-Owned vehicles available at its local dealerships with open recalls for safety issues.
8. In some instances, these open safety recalls have included recalls for defects that can cause serious injury. For example, Respondent has advertised Certified Pre-Owned vehicles that have an open safety recall for a key ignition switch defect, which can affect engine power, power steering, braking, and airbag deployment, thereby increasing the risk of a crash and occupant injury. Respondent also has advertised Certified Pre-Owned vehicles that have an open safety recall for a defect associated with the body control module connection system, which can result in a variety of issues with the brakes that may increase the risk of a crash. Respondent also has advertised Certified Pre-Owned

vehicles that have an open safety recall for a defect associated with the chassis electronic module, which can cause engine stalls, thereby increasing the risk of a crash.

9. In numerous instances, until at least June 2015, when Respondent has advertised Certified Pre-Owned vehicles that are subject to open recalls for safety issues making the claims set forth in Paragraph 5 and 6, it has provided no accompanying clear and conspicuous disclosure of this fact.
10. When consumers search for particular categories of vehicles on Respondent’s website, there is no disclosure of open safety recalls. An example of such search results includes the following:

CERTIFIED PRE-OWNED
CHEVROLET BUICK GMC

VEHICLE SEARCH ▾ DEALER LOCATOR ▾ CERTIFIED ADVANTAGE ▾ VEHICLE MODELS ▾

Search Results
63 listings match your search within 100 miles of 35405.

VEHICLES PER PAGE: 50 PAGE: 1 of 2 GO

YOUR SEARCH: 35405 UPDATE

Search All Makes

Search All Models

ADVANCED FILTER

DISTANCE FROM 35405: 100 miles

YEAR: 2014 to 2014

PRICE: Any to Any

MILEAGE: Under 30,000 miles

EXTERIOR COLOR: All Colors

BODY STYLE: Car SUV/Crossover Truck Van

SEAT CAPACITY: All Seat Capacities

FUEL TYPE: All Fuel Types

Vehicle Image	Vehicle Model	Price	Mileage	Color	Dealer	Distance	Action
	2014 GMC TERRAIN SLT-2	\$28,995	16,908	Silver	BARKLEY BUICK GMC CADILLAC, INC	2.19 miles from 35405	<input type="checkbox"/> Select to Compare MORE DETAILS
	2014 BUICK ENCLAVE LEATHER	\$34,995	22,709	Red	BARKLEY BUICK GMC CADILLAC, INC	2.19 miles from 35405	<input type="checkbox"/> Select to Compare MORE DETAILS
	2014 BUICK ENCLAVE LEATHER	\$37,995	25,890	Black	BARKLEY BUICK GMC CADILLAC, INC	2.19 miles from 35405	<input type="checkbox"/> Select to Compare MORE DETAILS
	2014 CHEVROLET EQUINOX 1LT	\$23,995	29,366	White	BARKLEY BUICK GMC CADILLAC, INC	2.19 miles from 35405	<input type="checkbox"/> Select to Compare MORE DETAILS
	2014 BUICK ENCLAVE LEATHER	\$36,995	18,946		BARKLEY BUICK GMC CADILLAC, INC		<input type="checkbox"/> Select to Compare MORE DETAILS

Exhibit C.

11. When consumers have viewed specific vehicle listings on Respondent’s website, there is no disclosure regarding open safety recalls. An example of a listing for a Certified Pre-Owned vehicle with an open safety recall includes the following:

< Back to Results Print Vehicle Details

2010 CHEVROLET IMPALA LT

\$15,991 Market-Based Price*

Mileage: **17,275**

Exterior Color: **N/A**

Interior Color: **N/A**

12 months/12,000 miles additional Certified Pre-Owned Bumper-to-Bumper Limited Warranty¹

[Info about how to get a free vehicle history report.](#)

[Contact Dealer](#)

DRAPER CHEVROLET COMPANY
(989) 790-0800 [View Dealer Site](#)

4200 BAY RD
 SAGINAW, MI 48603

[View Inventory](#) [Contact Dealer](#)

To get driving directions, please enter your address below.

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Vehicle Features

SPECIFICATIONS
TECHNICAL
ELECTRONIC
SAFETY
INTERIOR
EXTERIOR
BENEFITS

Vehicle Specifications

VIN	2G1WB5EK2A1Z09685	TRANSMISSION	4-Speed Automatic
BODY	4 Door Sedan	ENGINE	3.5L V6 12V MPFI OHV Flexible Fuel
DOORS	4	DRIVETRAIN	Front-Wheel Drive
SEATING CAPACITY	N/A	PAYLOAD CAPACITY	N/A
WHEEL BASE	110.5		

1.9% APR

1.9% APR for well-qualified buyers on Chevrolet Cruze, Buick LaCrosse and GMC Terrain.

CERTIFIED PRE-OWNED [APR Details](#)

*Dealer sets price. Tax, title, license, dealer fees, and other optional equipment extra.

¹Whichever comes first, from date of purchase. See participating dealer for limited warranty details.

²Coverage example is based on current available data. Contact your dealer for actual coverage amounts and full limited warranty details.

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Exhibit D.

12. Another example of a listing for a Certified Pre-Owned vehicle with an open safety recall appears as follows:



[Back to Results](#)

[Print Vehicle Details](#)



2011 CHEVROLET CAMARO

\$27,654 Make Best Offer

Mileage: **24,260**

Exterior Color: **Silver Ice Metallic**

Interior Color: **N/A**

All **Photos** **Views** 22 items Page 1 of 4

12 months/12,000 miles additional Certified Pre-Owned Bumper-to-Bumper Limited Warranty¹

CARFAX[®] Vehicle History Report

CARFAX 1-OWNER Want to find out the history of this 2011 Chevrolet Camaro? Like a Certified Pre-Owned car, truck, crossover or SUV in our or the dealer's inventory? Make sure its vehicle history report is flawless. Get a CARFAX[®] Vehicle History Report and protect yourself against used vehicles with costly hidden problems. Here's a preview of this Certified Pre-Owned vehicle's history:

- ✓ CARFAX 1-Owner
- ✓ Vehicle Qualifies for the CARFAX Buyback Guarantee
- ✓ No Total Loss Reported to CARFAX
- ✓ No Structural/Frame Damage Reported to CARFAX
- ✓ No Airbag Deployment Reported to CARFAX
- ✓ No Indication of an Odometer Rollback
- ✓ No Accidents/ Damage Reported to CARFAX

[Get a free CARFAX Vehicle History Report](#)

LEN STOLER CHEVROLET-CADILLAC
(410) 876-2233 [Visit Dealer Site](#)
 343 BALTIMORE BLVD
 WESTMINSTER, MD 21157

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1.9% APR
 1.9% APR for well-qualified buyers on Chevrolet Cruze, Buick LaCrosse and GMC Terrain.

CERTIFIED PRE-OWNED [APR Details](#)

Vehicle Features

- SPECIFICATIONS**
- TECHNICAL
- ELECTRONIC
- SAFETY
- INTERIOR
- EXTERIOR
- BENEFITS

Vehicle Specifications

VIN	2G3FT1EW8B9120181	TRANSMISSION	N/A
BODY	2 Door Coupe	ENGINE	6.2L V8 16V MPFI OHV
DOORS	2	DRIVETRAIN	Rear-Wheel Drive with Limited-Slip Differential
SEATING CAPACITY	4	PAYLOAD CAPACITY	N/A
WHEEL BASE	112.3		

¹Dealer sets price. Tax, title, license, dealer fees, and other optional equipment extra.
²Warranty commences from date of purchase. See participating dealer for limited warranty details.

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Exhibit E.

13. In some listings for Certified Pre-Owned vehicles, such as the example shown in Paragraph 12, there is a line that reads “CARFAX Vehicle History Report.” Underneath that line, Respondent provides a “preview” of the vehicle history report. If a consumer were to locate this information, understand that one could click on the line reading “Get a Free CARFAX Vehicle History Report” to access additional information, and click on the line, a vehicle history report potentially containing information about an open safety recall would appear.
14. In many instances in which a Certified Pre-Owned vehicle is subject to an open safety recall, such as the example shown in Paragraph 12, GM’s preview of the vehicle history report has excluded that information.
15. In contrast, in many instances in which a Certified Pre-Owned vehicle has no open safety recall, GM’s preview of the vehicle history report includes that information. An example of such a listing includes the following:



[Back to Results](#)

[Print Vehicle Details](#)



2012 CHEVROLET CAMARO 2SS
\$27,950 Market-Based Price

Mileage: **16,985**
 Exterior Color: **Ashen Gray Metallic**
 Interior Color: **N/A**



Certified Pre-Owned Warranty

See the total number of months available on the Bumper-to-Bumper Limited Warranty coverage of a Certified Pre-Owned vehicle. The total number is the aggregate number of months available on the original warranty added to our Certified Pre-Owned 12-month/12,000-mile Bumper-to-Bumper warranty¹.

Remaining warranty at time of purchase:

15 months/31,111 miles*

This is the amount of factory Bumper-to-Bumper Limited Warranty remaining on this vehicle. Anticipated Purchase Date: January 21, 2015

3 months/19,111 miles remaining in the factory warranty
12 months/12,000 miles additional Certified Pre-Owned Bumper-to-Bumper Limited Warranty¹

CARFAX® Vehicle History Report



Want to find out the history of this 2012 Chevrolet Camaro? Like a Certified Pre-Owned car, truck, crossover or SUV in our or the dealer's inventory? Make sure its vehicle history report is flawless. Get a CARFAX® Vehicle History Report and protect yourself against used vehicles with costly hidden problems. Here's a preview of this Certified Pre-Owned vehicle's history:

- ✓ CARFAX 1-Owner
- ✓ No Total Loss Reported to CARFAX
- ✓ No Airbag Deployment Reported to CARFAX
- ✓ No Accidents / Damage Reported to CARFAX
- ✓ Vehicle Qualifies for the CARFAX Buyback Guarantee
- ✓ No Structural/Frame Damage Reported to CARFAX
- ✓ No Indication of an Odometer Rollback
- ✓ No Manufacturer Recalls Reported to CARFAX

[Get a Free CARFAX Vehicle History Report.](#)

HENDRICK CHEVROLET SHAWNEE MISSION
(877) 717-5788 [Visit Dealer Site](#)
 8300 SHAWNEE MISSION PKY
 SHAWNEE MISSION, KS 66202

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1.9% APR
 1.9% APR for well-qualified buyers on Chevrolet Cruze, Buick LaCrosse and GMC Terrain.
 CERTIFIED PRE-OWNED CHEVROLET BUICK GMC [APR Details](#)

Vehicle Features

- SPECIFICATIONS
- TECHNICAL
- ELECTRONIC
- SAFETY
- INTERIOR
- EXTERIOR
- BENEFITS

Vehicle Specifications

VIN	2G1FK1EJ1C9162721	TRANSMISSION	6-Speed Automatic
BODY	2 Door Coupe	ENGINE	6.2L V8 16V MPFI OHV
DOORS	2		

SEATING CAPACITY	4	DRIVE TRAIN	Rear-Wheel Drive with Limited-Slip Differential
WHEEL BASE	112.3	PAYLOAD CAPACITY	N/A

[†]Dealer sets price. Tax, title, license, dealer fees, and other optional equipment extra.
[‡]Whichever comes first, from date of purchase. See participating dealer for limited warranty details.
^{*}Coverage example is based on current available data. Contact your dealer for actual coverage amounts and full limited warranty details.

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Exhibit F.

VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Count I

16. In connection with the marketing or advertising of used GM motor vehicles, Respondent has represented, directly or indirectly, expressly or by implication, that used motor vehicles it advertises have been subject to rigorous inspection, including for safety issues.
17. In numerous instances in connection with the representation set forth in Paragraph 16, Respondent has failed to disclose, or disclose adequately, that used vehicles it advertises are subject to open recalls for safety issues.
18. Respondent’s failure to disclose, or disclose adequately, the material information set forth in Paragraph 17 above, in light of the representation described in Paragraph 16, above, constitutes a deceptive act or practice in or affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

THEREFORE, the Federal Trade Commission, this eighth day of December, 2016, has issued this complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: