Immediate Release:
July 29, 2021

$450,000 Settlement agreement between
the Federal Trade Commission and Tate’s Auto Group

St. Michael’s, Navajo Nation (ARIZ) – The Navajo Nation Human Rights Commission (“Commission”) is pleased to announce the Federal Trade Commission (“FTC”) reached a settlement agreement with Richard Berry, Owner/Manager of Tates Auto Group (“Tates”).

The Commission has been collecting written complaints by Navajo consumer against Tates. The data from the complaints indicated that Tates alleged to commit unlawful and unfair business practices. In 2014, the Commission forwarded its findings to the FTC, after reviewing the Commission’s finding the FTC then filed a complaint against Tates with U.S. District Court of Arizona in 2018 on falsifying consumer information on financing documents. When consumers provide factual information when filing complaints it’s difficult for retailers to dismiss filed complaints against them.

Leonard Gorman, Commission’s Executive Director states, “Retailers need to treat consumers fairly and without deception. When retailers conduct business in the Navajo language they need to keep in mind that the Navajo language is sacred and meaningful spoken words. When retailers say in the Navajo language we will help you and that help must be without fabrication and without misinformation.”

“The Commission encourages Navajo consumers to take the necessary time to make a decision while making a large purchase because to get a corrective action may take years to get a final answer. The Commission is hopeful some amount of money from the Tate’s settlement would go back to the Navajo consumers from Tate’s auto inappropriate dealing.” Leonard Gorman, Commission Executive Director.

For more information, contact the Commission at 928-871-7436.

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FTC Obtains $450,000 Settlement in Tate’s Auto Group Case

July 29, 2021

FTC alleged that Richard Berry orchestrated regional scheme to falsify consumer information on financing applications

The FTC reached an agreement with Richard Berry, the owner and manager of a group of bankrupt auto dealerships in Arizona and New Mexico, to resolve charges that he and the dealerships deceived consumers and falsified information on vehicle financing applications. Many of the affected consumers were members of the Navajo Nation.

“When Berry’s auto dealerships falsified income and down payment information to qualify people for loans they couldn’t afford to pay back, they set people up for failure – including default, repossession, and ruined credit,” said Samuel Levine, Acting Director of the FTC’s Bureau of Consumer Protection. “That’s why the FTC sued Berry and his dealerships.”

The FTC reached an earlier settlement with the four dealerships: Tate’s Auto Center of Winslow, Tate’s Automotive, Tate Ford-Lincoln-Mercury, and Tate’s Auto Center of Gallup. If approved by the district court, the present settlement against Berry, would result in a $450,000 payment to the FTC and conclude the FTC’s case. The settlement also included a stipulated dismissal of relief defendant Linda Tate, which has been entered by the court.

The FTC’s complaint, filed in August 2018, alleged that the defendants falsified consumers’ income and down payment information to get vehicles financed and engaged in unlawful advertising. In an earlier ruling in the case, the judge found that the defendants violated the Truth in Lending Act (TILA) and Consumer Leasing Act (CLA) by failing to disclose legally required information in their advertisements.

In addition to the $450,000 payment, the proposed settlement prohibits Berry from misrepresenting information in documents associated with a consumer’s purchase, financing, or leasing of a motor vehicle, and misrepresenting the costs or any other material fact related to vehicle financing. The proposed order also requires Berry to provide consumers sufficient time to review and obtain a copy of the relevant vehicle financing documents and prohibits him from violating the TILA and CLA.
The Commission vote approving the proposed stipulated order was 5-0. Commissioner Rebecca Kelly Slaughter issued a concurring statement. The proposed order was filed in the U.S. District Court for the District of Arizona.

NOTE: Stipulated final orders or injunctions, etc. have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition and to protect and educate consumers. You can learn more about consumer topics and report scams, fraud, and bad business practices online at ReportFraud.ftc.gov. Like the FTC on Facebook, follow us on Twitter, get consumer alerts, read our blogs, and subscribe to press releases for the latest FTC news and resources.

PRESS RELEASE REFERENCE:
FTC Charges Auto Dealerships in Arizona and New Mexico with Falsifying Consumers’ Information on Financing Documents

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