

Beware the “Industry Sweep”: Car Dealerships Hit with FTC Enforcement

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As we [reported](#) previously, the FTC, in September, announced settlements with two car dealerships over price advertising alleged to be deceptive. At that time, the FTC noted that the two settlements were “part of [a] continuing crackdown on deceptive motor vehicle dealer practices.” Boy, were they not kidding. On Thursday, the FTC [announced](#) settlements with ten more car dealerships from across the country – specifically, North Carolina, Georgia, Michigan, Illinois, Texas, and California. This time, the FTC alleges that dealerships disseminated deceptive advertising about prices, financing, leases, and contests intended to bring consumers into dealerships.

Prior to September, car dealerships had not seen a whole lot of FTC enforcement since around 1996 and 1997. This latest scourge of enforcement (the FTC prefers to call them “enforcement sweeps” or “industry sweeps”) serves as a reminder that no time is a good time to be lax in reviewing and carefully vetting the risks of your company’s advertising claims.