

**Tesla knowingly selling defective vehicles and now exposed in new lawsuit**

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*The company has tens of thousands of complaints against it for unsafe cars, bribery, corruption, stock market fraud and more..*

By [Sean O'Kane@sokane1](#)

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Photo by Amelia Holowaty Krales / The Verge

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A former Tesla employee claims the company knowingly sold defective cars, often referred to as “lemons,” and that he was demoted and eventually fired

after reporting the practice to his superiors. He made these allegations in a lawsuit filed in late January in New Jersey Superior Court under the Conscientious Employee Protection Act (CEPA).

The former employee, Adam Williams, worked for Tesla as a regional manager in New Jersey dating back to late 2011. While there, he says he watched the company fail “to disclose to consumers high-dollar, pre-delivery damage repairs” before delivering its vehicles, according to the complaint. Instead, he says the company sold these cars as “used,” or labeled as “demo/loaner” vehicles.

Williams says in the court filing that he reported this behavior in late 2016 and early 2017 to his supervisor, as well as Lenny Peake, Tesla’s East Coast Regional Manager, and Jerome Guillen, a company vice president. Shortly after that, he claims, he was demoted to service manager of the Springfield, New Jersey Tesla store. He then says he was demoted again later in the year to a “mobile manager” position and was ultimately fired in September 2017.

In the lawsuit, Williams argues that he was terminated for reporting the alleged lawbreaking practices, and he should therefore be covered by CEPA’s whistleblower protection. CEPA is a so-called “whistleblower act” in New Jersey that was put in place to stop employers from retaliating against employees who report, object to, or refuse to participate in what they view as illegal behavior.

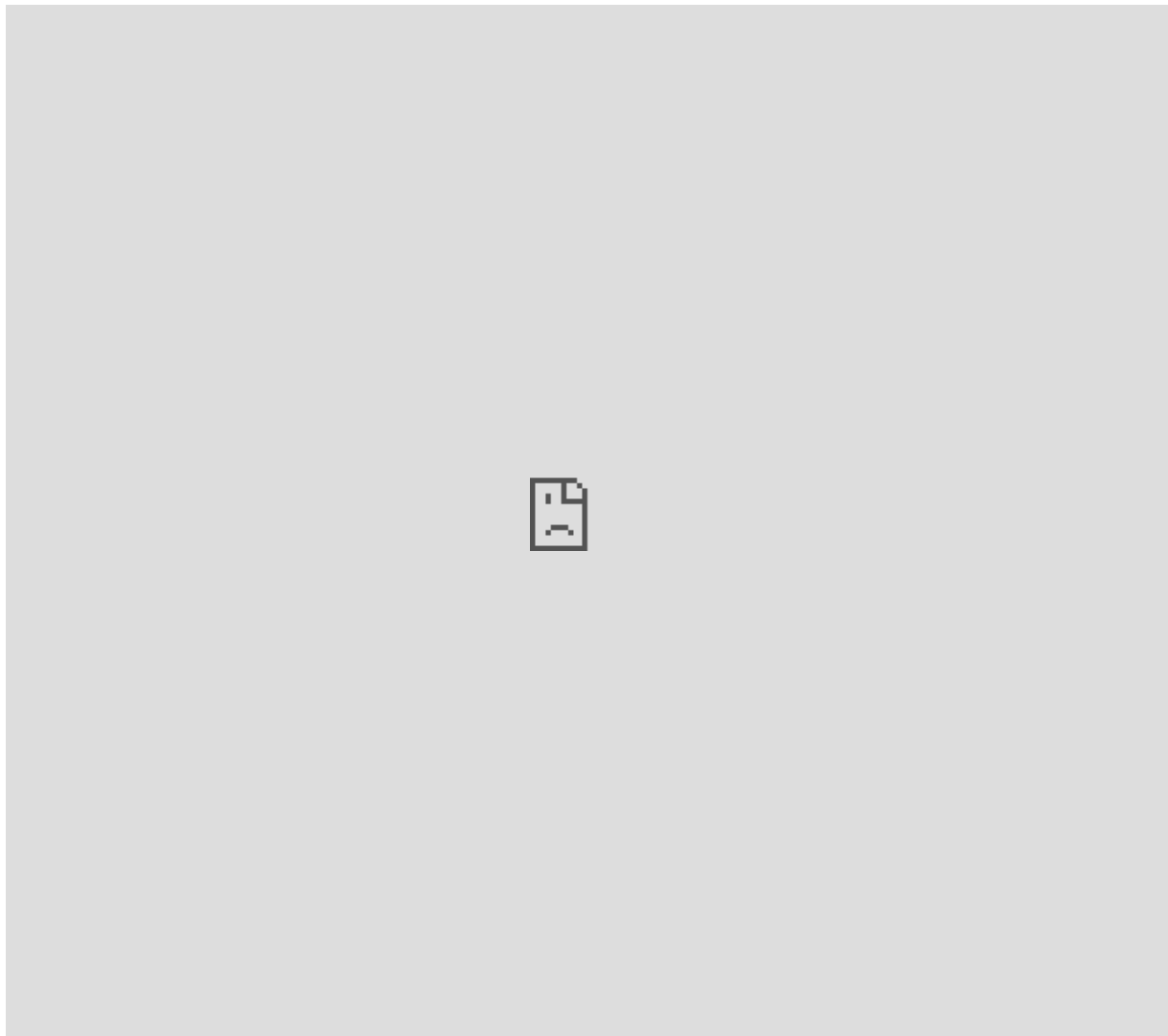
This is not the first time Tesla has dealt with a lawsuit that involved

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**... ””**

accusations of lemon law issues. The company [settled a lawsuit with a Model X owner in 2016](#) who complained about problems with the doors and software of his vehicle.

[Williams vs Tesla](#) by [Anonymous ohKLS5K](#) on Scribd



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[Ford president leaves the company over 'inappropriate behavior'](#)

[Elon Musk leaves board of AI safety group to avoid conflict of interest with Tesla](#)