Products Liability Law Daily Wrap Up, TOP STORY—CONSENT ORDER—NHTSA imposes additional $70M civil penalty on Fiat Chrysler for failure to report safety data (Dec. 10, 2015)

By John Dumoulin

The National Highway Traffic Safety Administration (NHTSA) has amended a July 24, 2015, consent order with Fiat Chrysler Automobiles (FCA) to impose an additional $70 million civil penalty for failure to report legally required early warning safety data, according to an agency press release. The additional penalty makes FCA liable for $175 million, with $140 million due in cash and another $35 million in deferred penalties the company will owe if it fails to meet its obligations under the consent order. The release said FCA is the fifth vehicle manufacturer in the past 14 months that NHTSA has penalized for failing to meet early warning reporting requirements (*NHTSA Press Release*, No. 51-15, December 10, 2015).

In the July 24 consent order, FCA acknowledged that it violated the Motor Vehicle Safety Act's requirements to repair vehicles with safety defects and agreed to pay a civil penalty of $105 million, among other actions, including hiring an independent monitor to assess, track, and report the company's recall performance. The enforcement action occurred after a July 2 public hearing at which NHTSA officials outlined problems with Fiat Chrysler's execution of 23 vehicle safety recalls covering more than 11 million defective vehicles.

In late July, NHTSA notified FCA of apparent discrepancies in the company's early warning reporting that is required by the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, and in September, FCA admitted to the agency that it had discovered significant under-reporting of death and injury claims, as well as other information.

Details of agreement. Under the amendment to the consent order, FCA admits to significant failures in early warning reporting that date to the beginning of these requirements in 2003. In addition to paying the new civil penalty, the company must report on the results of a third-party audit regarding the scope of its reporting failures and provide missing early warning data. In addition, the independent monitor appointed under the July 24 consent order will monitor the company's early warning compliance.

Companies: Chrysler; FCA US LLC

MainStory: TopStory MotorVehiclesNews MotorEquipmentNews