

# ***Fiat Chrysler Concedes Violating Rule on Reporting Death and Injury Claims***

By **BILL VLASIC** SEPT. 29, 2015

Photo



Transportation Secretary Anthony Foxx, who said on Tuesday that he planned to meet with automakers to discuss vehicle safety. Credit/Larry Downing/Reuters

DETROIT — Federal regulators said on Tuesday that [Fiat Chrysler](#) Automobiles had significantly underreported to regulators the number of death and injury claims linked to possible defects in its cars.

[http://www.nytimes.com/2015/09/30/business/fiat-chrysler-concedes-violating-rule-on-reporting-death-and-injury-claims.html?\\_r=0](http://www.nytimes.com/2015/09/30/business/fiat-chrysler-concedes-violating-rule-on-reporting-death-and-injury-claims.html?_r=0)

Fiat Chrysler's admission of the underreporting, discovered in an internal review tied to the company's recent \$105 million settlement over its handling of recalls, could result in new penalties.

Mark Rosekind, the head of the [National Highway Traffic Safety Administration](#), said that early information pointed to flaws in Fiat Chrysler's systems for gathering and reporting the claims data, as required under federal law.

"This represents a significant failure to meet a manufacturer's safety responsibilities," Mr. Rosekind said. "N.H.T.S.A. will take appropriate action after gathering additional information on the scope and causes of this failure."

The agency provided no details on the number of deaths and injury claims involved, or the period of time in which they occurred.

Regulators are stepping up oversight of automakers for safety problems as well as environmental issues after Volkswagen's recent admission that it used illegal devices to cheat on emissions testing of nearly 500,000 diesel vehicles in the United States.

Transportation Secretary Anthony Foxx told reporters in Washington on Tuesday that he expected to call in a number of automakers for a meeting to underscore the government's commitment to cracking down on safety violations.

Automakers recalled about 60 million vehicles last year for safety issues, including millions of small cars at General Motors that had faulty ignitions linked to at least 124 deaths.

"After numerous recent lapses in the auto industry, the secretary has determined that a high-level meeting is needed to focus the industry on its health and safety obligations to the public," said Gordon Trowbridge, a spokesman for N.H.T.S.A.

The disclosure by Fiat Chrysler was the second time this year that a major automaker had admitted to failing to report claims as required under the federal Early Warning Reporting system. In January, the Japanese automaker Honda agreed to pay \$70 million in fines for failing to properly disclose to the government more than 1,700 deaths and injuries over an 11-year period.

That penalty was the largest ever imposed on an automaker by the safety agency — until Fiat Chrysler agreed to the penalties in July that could ultimately total \$105 million.

Fiat Chrysler said it identified the reporting errors because of “heightened scrutiny” of its safety practices, conducted as part of its July consent order on the recall violations.

“F.C.A. promptly notified N.H.T.S.A. of these issues, and committed a thorough investigation, followed by complete remediation,” the company said.

Automakers are required to compile claims they receive that blame vehicle defects for serious injuries or deaths. Called Early Warning Reporting, the system was intended to help the auto safety agency more easily identify potential defects. It was put in place in 2000 under the Tread Act, after a wave of highway rollovers in Ford Explorers with Firestone tires.

Fiat Chrysler has already been a prime target of the government’s efforts to penalize automakers for lax safety practices.

The penalties imposed in July followed a rare public hearing to examine the company’s shoddy handling of nearly two dozen recalls covering more than 11 million vehicles.

As part of the broad settlement, Fiat Chrysler’s safety practices will be overseen for three years by an independent monitor. The company was also required to overhaul its internal safety operations and to buy back thousands of unrepaired trucks and

sport utility vehicles with defective suspensions that can cause drivers to lose control of the vehicles.

Fiat Chrysler said the settlement prompted an internal investigation that revealed deficiencies in reporting deaths and injury claims, which it announced on Tuesday.

The company did not say when it would have a complete tally of the number of claims that went unreported.

“F.C.A. is in regular communication with N.H.T.S.A. about its progress in the investigation,” the company said. “F.C.A. takes this issue extremely seriously, and will continue to cooperate with N.H.T.S.A. to resolve this matter and ensure these issues do not reoccur.”

In his meeting with reporters on Tuesday, Mr. Foxx described Fiat Chrysler’s admission as “troubling,” and said it underscored the need for a meeting with automakers to emphasize the importance of safety reporting rules.

“We’re giving strong consideration to calling everybody in,” Mr. Foxx said, according to a transcript of the media briefing. “There are a number of issues on the table right now that merit discussion across many of the manufacturers at this point.”