

Fiat Chrysler Is Fined and Agrees to Fix Safety Reporting System

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A Fiat Chrysler plant in Toledo, Ohio. CreditBill Pugliano/Getty Images

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As part of a \$70 million settlement with federal regulators, [Fiat Chrysler](#) said on Thursday that it would overhaul its operations to ensure disclosure of deaths and injuries tied to potential defects in its vehicles.

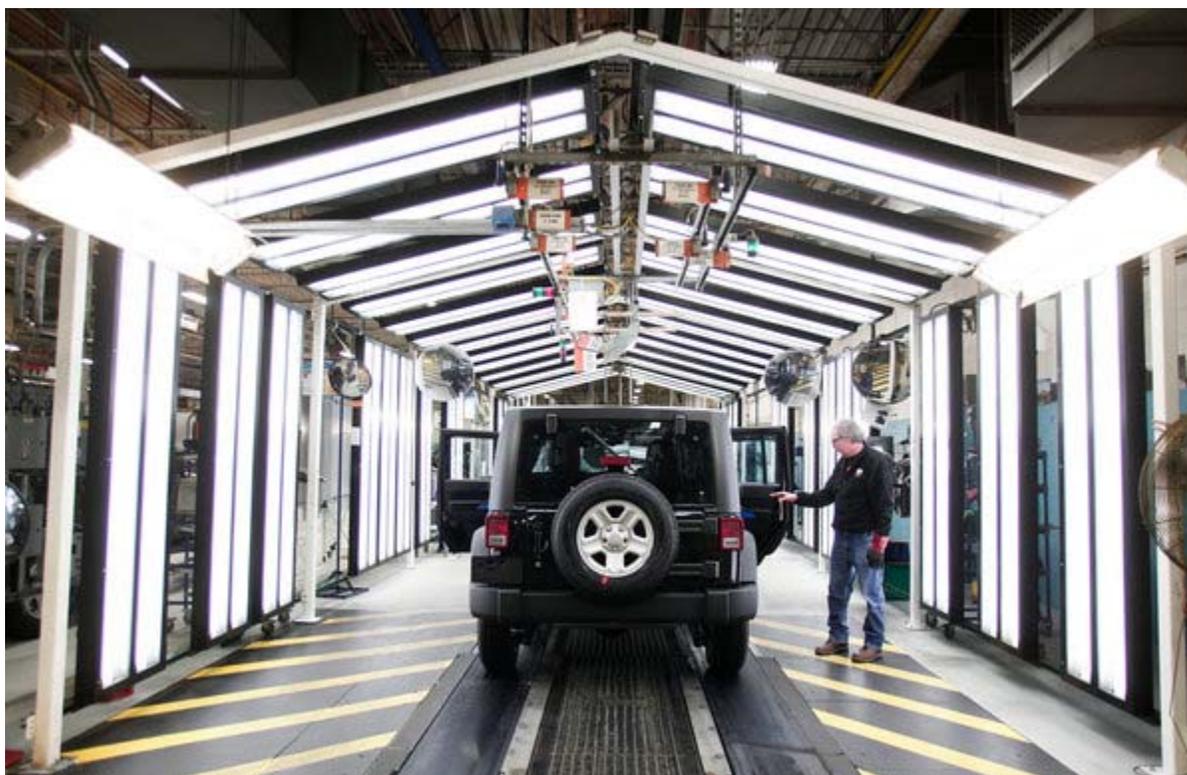
The [National Highway Traffic Safety Administration](#), which announced the settlement and fine, said the automaker had failed in a significant way to make some reports over more than a decade.

In announcing the penalty, Transportation Secretary Anthony Foxx said it was meant as a signal to Fiat Chrysler and other automakers “to move toward a stronger, more proactive safety culture.”

Under the settlement, Fiat Chrysler is required to turn over the missing data to the traffic safety administration within about six months. The automaker said it was “confident that it identified and

addressed all issues that arose during the relevant time period, using alternate data sources.”

The automaker said it was revising its process to ensure proper reporting and was commissioning a third-party audit to identify the scope of the reporting failures, dating to 2003. Those findings will be made available to the public.



A 2014 Jeep Wrangler undergoes a quality inspection at a Fiat Chrysler assembly plant in Toledo, Ohio. CreditBill Pugliano/Getty Images

But neither the automaker nor the safety agency would say or give an estimate of how many deaths and injuries had not been reported. The death and injury disclosure system, called Early Warning Reporting, is supposed to help regulators 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.

According to the written agreement between the company and its regulators, Fiat Chrysler’s reporting failure stemmed from problems in a software system that failed to recognize when reportable information was received or updated, and because the company failed to update the system to reflect new brands. The automaker notified the agency of the “apparent discrepancies” in the data reporting in July, regulators said.

Mark Rosekind, the head of the National Highway Traffic Safety Administration, said Fiat Chrysler “has expressed a desire to use this situation as a steppingstone to a stronger, more proactive safety posture.”

This is the second time this year that Fiat Chrysler has agreed to pay a multimillion-dollar fine to the agency in relation to safety problems in its vehicles. In July, the agency announced a penalty against the company that could reach \$105 million over its handling of multiple recalls affecting more than 11 million vehicles.

The agency has included the \$70 million penalty announced Thursday as an amendment to the July agreement. Including the new fine, the civil penalties for the company total \$175 million, with \$140 million in cash and \$35 million in deferred penalties that will come due if the company fails to meet its obligations under the agreement.

Fiat Chrysler is the second major automaker this year to admit failing to report claims under the Early Warning Reporting system. In January, 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. And last year, the agency fined Ferrari \$3.5 million for failing to submit reports on fatal accidents.

The agency recently fined the Japanese supplier Takata, which produced defective airbag inflators that can rupture violently, exploding and shooting metal at passengers. In that case, the supplier could pay as much as \$130 million if it does not follow its agreement with the regulators.

The agency is authorized to impose a maximum fine of \$35 million per violation. Congress recently passed a transportation bill that would allow the agency to cap the fine at \$105 million, but the change will not go into effect until the agency has issued a final rule.