

U.S. DOT announces Fiat Chrysler enforcement action

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Contact: Gordon Trowbridge, 202-366-9550, Public.Affairs@dot.gov

Automaker admits failures and agrees to federal oversight, buy backs and record penalty

WASHINGTON – U.S. Transportation Secretary Anthony Foxx announced today that Fiat Chrysler Automobiles has acknowledged violations of the Motor Vehicle Safety Act’s requirements to repair vehicles with safety defects and will submit to rigorous federal oversight, buy back some defective vehicles from owners, and agreed to a \$105 million civil penalty, the largest ever imposed by the Department’s National Highway Traffic Safety Administration.

The enforcement action comes 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. Fiat Chrysler has since admitted to violating the Safety Act in three areas: effective and timely recall remedies, notification to vehicle owners and dealers and notifications to NHTSA.

“Today’s action holds Fiat Chrysler accountable for its past failures, pushes them to get unsafe vehicles repaired or off the roads and takes concrete steps to keep Americans safer going forward,” said Secretary Foxx. “This civil penalty puts manufacturers on notice that the Department will act when they do not take their obligations to repair safety defects seriously.”

In a consent order issued by NHTSA, Fiat Chrysler commits to take action to get defective vehicles off the roads or repaired. Owners of more than half a million vehicles with defective suspension parts that could cause the vehicle to lose control will have the opportunity to sell their vehicle back to Fiat Chrysler. Owners of more than a million Jeeps that are prone to deadly fires either will have the chance to trade their vehicle in for above its market value, or will receive a financial incentive to get their vehicle remedied.

The consent order requires FCA to notify vehicle owners eligible for buybacks and other financial incentives that these new options are available.

The automaker also agrees to unprecedented oversight for the next three years, which includes hiring an independent monitor approved by NHTSA to assess, track and report the company's recall performance.

“Fiat Chrysler’s pattern of poor performance put millions of its customers, and the driving public, at risk,” NHTSA Administrator Mark Rosekind said. “This action will provide relief to owners of defective vehicles, will help improve recall performance throughout the auto industry, and gives Fiat Chrysler the opportunity to embrace a proactive safety culture.”

The company must pay a \$70 million cash penalty – equal to the record \$70 million civil penalty the agency imposed on Honda in January. In addition, Fiat Chrysler must spend at least \$20 million on meeting performance requirements included in the Consent Order. Another \$15 million could come due if the independent monitor discovers additional violations of the Safety Act or the Consent Order.

- [View the Consent Order](#)