

As victims' families call for criminal prosecution

## Senate hearing sets stage for cover-up of GM, government role in fatal crashes

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For the second consecutive day, General Motors CEO Mary Barra appeared before a congressional panel and refused to provide answers regarding the company's cover-up of an ignition switch defect linked to at least 13 deaths and 31 crashes. According to one study, there were 303 fatal crashes between 2002 and 2012 involving GM Cobalt and Ion model vehicles in which air bags failed to deploy.

Since February, GM has recalled some 2.6 million of its small cars that may have what the company now acknowledges is a faulty ignition switch that can turn off suddenly while the car is being driven, incapacitating the power steering, power brakes and air bags. Documents have emerged showing that GM knew about the defective ignition switch since 2001 and received a flood of complaints about its small cars suddenly losing power, as well as reports of fatal crashes, but failed to report the defect to government regulators or the public or order a recall of the dangerous vehicles.

CBS News on Wednesday revealed an internal memo dated June 14, 2005 from Delphi, GM's major parts supplier, in which a project engineer wrote: "Cobalt is blowing up in their face in regards to turning the car off with the driver's knee."

Instead of reporting the defect within five business days, as required under the law, the company furtively installed a revamped ignition switch in new models beginning in 2006, going so far as to retain the same part identification numbers, rather than assigning the new part another number in accordance with standard practice and safety regulations.

The National Highway Traffic Safety Administration (NHTSA) was aware of the problem but twice rejected recommendations from its own investigators to launch a formal investigation.

As was the case at Tuesday's hearing of the House Subcommittee on Oversight and Investigations, family members of the mostly young people killed in crashes linked to the faulty switch attended Wednesday's hearing of the

Senate Commerce Committee's Subcommittee on Consumer Protection, Product Safety and Insurance. A number of them had participated in a press conference outside the Capitol Tuesday and some spoke to the press on Tuesday and Wednesday, expressing outrage at the GM-government cover-up and the deferential treatment given to GM CEO Barra by the lawmakers.

Renee Trautwein, whose 19-year-old daughter was killed in a 2009 crash involving a Chevrolet model that has now been recalled, addressed Tuesday's press conference, saying, "I think they should be held liable and go to jail. I think they're murderers."

She appeared on NBC News "Today Show" Wednesday morning and was asked about a private meeting Monday night between relatives of crash victims and Barra. Trautwein dismissed the event as "scripted."

"There was no dry eye in the room except Mary Barra," Trautwein said. "Her lawyer actually asked for a Kleenex, which she never used. I felt it was a waste of my time."

She continued: "No answers were given. It's a cover-up, total cover-up ... There are still 2.5 million of these automobiles. I want GM to get on breaking news, tell everyone to take their cars [in] now. Don't drive them anymore."

"I'm hoping there will be criminal changes. I'm hoping all these cars will be taken off the road immediately."

Rosie Cortinas, whose 23-year-old son Amador died in a Cobalt crash five months ago, attended Tuesday's House Committee hearing. She was quoted by *USA Today* as saying: "I have to keep walking out. I feel like there is some kind of inhumanity in this room. They aren't looking at it as a human point of view. They are looking at it from a company's point of view."

Laura Christian of Harwood, Maryland is the mother of Amber Rose, the first known fatality of the Chevy Cobalt. She told the *Detroit News*: "The only thing GM listens to is their bottom line, so if that's what they listen to then that's

what we will go after.” She added that it was necessary “to make it so expensive that they can’t possibly contemplate doing this again, and it also sends a message to other auto manufacturers.”

At the press conference on Tuesday, family members called for GM to tell owners of models that have been recalled but not yet repaired to park their cars and not drive them. They also urged the company to set up a victims’ compensation fund.

In her testimony Wednesday, Barra refused to make a commitment to do either. She insisted that the recalled cars were safe as long as drivers used only the ignition key, free of other weights on their key chain, and brushed off calls for GM to compensate all families of victims by noting the company’s hiring of attorney Kenneth Feinberg to advise it on such matters.

Feinberg has become the ruling class’ chief “fixer” in matters of government and corporate liability. He headed up the Bush administration’s compensation program for victims of 9/11, was made the “pay tsar” to oversee Wall Street executive compensation after the bank bailout, was put in charge by President Obama of compensation to victims of the BP oil spill, and most recently was named to oversee compensation for victims of the Boston Marathon bombing.

He has a track record of enabling bank executives to continue awarding themselves multi-million-dollar pay packages while limiting payouts to victims of corporate or government malfeasance.

GM is legally immune from liability stemming from accidents that occurred before it filed for bankruptcy in 2009 as a result of a provision included in its bankruptcy reorganization under the direction of the Obama administration’s Auto Task Force. There is every reason to believe that the administration was well aware that GM was concealing its potentially massive liability for the ignition switch defect when it organized the restructuring of the company and gave it immunity from crashes caused by the faulty part.

In her perfunctory page-and-a-half opening remarks to the Senate panel and in her answers to questions, Barra repeatedly referred to the “New GM” and “Today’s GM,” as opposed to the “old” company. This was not only a public relations device, intended to portray the company under her watch, which began in January, as dedicated to consumer safety rather than cost control. It also reflected a legal strategy designed to shield the company from financial liability for much of the human pain and suffering it has caused.

The bankruptcy process established a “new” GM with far lower “legacy costs,” i.e., pensions and health care for

workers and retirees, as well as sharply lower wages for new hires and reduced debts. This supposedly “new” GM was freed from liabilities incurred by its former incarnation.

This is the legal fiction that GM evidently intends to utilize to deny adequate compensation to families whose loved ones died as a result of decisions made by GM officials. The basis of these decisions was corporate profit. This was summed up in the words of a GM project engineering manager who ordered an investigation into the defect closed in 2005 because, according to a report in Monday’s *Wall Street Journal*, “the tooling cost and piece price are too high” and none of the proposed fixes “represents an acceptable business case.”

At Wednesday’s hearing, some committee members, Republicans as well as Democrats, indulged in demagogic shows of indignation, but no one seriously challenged Barra’s claim to have known nothing of the ignition switch problem until January 31 of this year. Barra, an engineer with thirty years at the company, at various points over the past decade has held highly responsible posts overseeing engineering and manufacturing at the firm.

More importantly, none addressed the basic issue underlying the deadly cover-up—the contradiction between production for profit and the health and safety of the population. There was not the slightest suggestion that anything be done to loosen, let alone remove, the grip of private interests over the country’s manufacturing base. Instead, there was much talk about changing GM’s “corporate culture.”

To the extent that senators raised the possibility of criminal prosecution, it was mainly from the standpoint of offering friendly advice as to how it could be avoided. Democratic Senator Richard Blumenthal of Connecticut, who toward the end of the hearing warned that GM had “a real criminal liability,” began his questioning by telling Barra, “I have enormous admiration and respect for your career and what you’ve accomplished, and I have enormous respect for GM, an iconic company.”



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