

# GM seeks to squelch lawsuits stemming from ignition defect

Shannon Jones  
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General Motors says it will soon file a motion with a federal bankruptcy judge in New York seeking a court order preventing the families of accident victims from suing the company over defective ignition switches that have been tied to fatal crashes.

As part of the 2009 bankruptcy and restructuring of GM the Obama administration inserted a clause holding the reorganized company harmless from lawsuits stemming from before July 2009. Many of the deaths and injuries resulting from the faulty ignition switches installed on several 2003-2007 GM models, which have now been recalled, took place prior to 2009. At the time, GM was facing 2,500 lawsuits of various kinds. Most received pennies on the dollar.

Among the cases that GM would like to block is one filed in federal court in California by 13 owners and leasers of recalled GM vehicles. The plaintiffs are seeking compensation from GM for selling them defective cars. They are also trying to broaden their legal case into a class action suit.

GM's motion to prevent accident victims from collecting damages belies the claim of CEO Mary Barra of a new, more-open GM. In recent congressional hearings Barra stonewalled questions regarding the recall, which now involves 2.6 million vehicles, claiming she only recently became aware of issues with the defective ignition.

Meanwhile, the National Highway Traffic Safety Administration (NHTSA) is fining GM \$7,000 a day, a paltry sum for a multibillion-dollar corporation, for failing to provide all the documents it requested in its investigation of the recall. The NHTSA says it is missing about one third of the information it asked for.

The ignition defect involves small cars built between 2003 and 2007, including the Chevrolet Cobalt and Saturn Ion. The ignition can easily be bumped or jarred

out the "run" position into "accessory" or "off." This kills the engine and disables the power steering, power brakes and airbags.

GM says 31 crashes and 13 fatalities are tied to the defect. However, the actual number may be much higher. A study commissioned by the consumer group the Center for Auto Safety concluded there were 303 deaths in crashes between 2002 and 2012 involving the Cobalt and Ion where airbags failed to deploy. The failure of airbags to deploy can be caused by the ignition being in the "accessory" or "off" position.

In addition, last week GM issued a second recall of the same vehicles for a defective lock cylinder that allows keys to be removed from ignitions that are not in the "off" position. This can lead to cars inadvertently rolling away with the engine running.

Consumer safety advocates are calling on GM to tell owners of the recalled vehicles to park their cars until repairs are made. They point to two recent fatal accidents involving the recalled models in which airbags failed to deploy.

On March 7, 12-year-old Zyla Owens of Laurel, Mississippi, was killed when her mother's Cobalt ran off the road. The airbags did not deploy even as the car hit a tree. The mother said that she suddenly had difficulty steering the car, which could indicate the engine had cut off.

In a second fatal accident on March 19, Lara Gass, age 27, died when her 2004 Ion rear-ended a semi-trailer in Virginia. Again, the airbags did not deploy.

GM called any link between the fatal crashes and the ignition defect "speculation." Meanwhile, there is no indication the NHTSA, the supposed government watchdog, has launched an investigation into the crashes.

A US District Court judge in Texas is to decide on a

suit to force GM to tell owners of the recalled vehicles not to drive them until the ignitions are fixed. GM has responded by calling on the judge to require the plaintiffs to issue a surety bond to pay for damages if the company is found to have been wrongfully required to ground the cars.

In the wake of congressional hearings into the delayed GM recall, the company has suspended with pay two engineers who it says were involved in GM's long failure to recall cars with defective ignition switches. The move targets two engineers who were involved in the engineering team working on the Cobalt. One of the men, Ray DeGiorgio, allegedly approved a design change to the ignition switch addressing the problem of it slipping out of the "run" position but did not provide a new part number, an action that suggested a cover-up.

Whatever role the two engineers may have played in the tragic affair, the long failure of GM to recall vehicles known to have a potentially fatal defect points to management decisions at the highest level. Newly released GM internal documents show the company was aware as early as 2001 that the ignition of the Ion did not meet its specifications. The documents also show that in 2001, GM considered and rejected an ignition switch design addressing the problem with the ignition slipping out of "run." It was the same design that was quietly introduced in 2006, without providing a new part number. In an interview with NBC News, Clarence Ditlow of the Center for Auto Safety said the decision to go initially with the defective design seemed to be based on price.

Later, in a meeting held in 2007, the NHTSA informed GM of a fatal crash involving a Cobalt that killed two teenagers in 2005. The airbags did not deploy, and the ignition was in the "accessory" position. The NHTSA investigation also determined that inadvertent contact with the ignition switch or the key ring of the Cobalt could result in an engine shutdown. To back up their case, investigators attached a GM service bulletin warning that there was a danger of drivers accidentally turning off the ignition due to "low ignition key cylinder torque/effort."

However, even as more accident reports came in involving the Cobalt where airbags failed to deploy, neither the NHTSA nor GM issued an alarm. Meanwhile, GM faced mounting numbers of lawsuits

and consumer complaints.

Finally, as a result of one lawsuit, the company was compelled to release internal documents demonstrating it had long known of the ignition defect. This apparently blew the lid on the cover-up, forcing the belated recall.



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