

# US government whitewashes GM's responsibility for deadly ignition defect

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The US Department of Transportation announced Friday a consent decree with automaker General Motors over its delayed recall of vehicles with an ignition defect linked to deadly crashes. As part of the deal GM agreed to pay a derisory \$35 million fine, equivalent to less than one day of revenue for the company.

The agreement wraps up an investigation of GM by the National Highway Traffic Safety Administration (NHTSA) before it had even begun. The automaker still has not fully complied with an NHTSA request for documents linked to the February recall of the 2005-2010 Chevrolet Cobalt, 2003-2007 Saturn Ion, and other low cost models subject to the sudden loss of engine power, which would potentially disable power braking, power steering and airbags.

There has been no serious assessment of the true extent of the deaths or injuries stemming from the defect, nor has there been any investigation of the role of top GM management in carrying out the cover-up.

US Transportation Secretary Anthony Foxx hailed the settlement, declaring “safety is our top priority, and today’s announcement puts all manufacturers on notice that they will be held accountable if they fail to report and address safety-related defects.” What a fraud!

Under toothless federal regulations, \$35 million is the maximum fine faced by automakers. After announcing the slap-on-the-wrist fine, Foxx called on Congress to raise the amount the NHTSA can fine companies to \$300 million. But even this figure would constitute merely a few weeks’ profit for a multi-billion-dollar corporation like GM.

The deal merely requires GM to make certain unspecified internal changes and gives it to October to complete repairs on the recalled vehicles. The settlement follows Congressional hearings in which

GM CEO Mary Barra was allowed to stonewall questions relating to the delayed recall. No one suggested that Barra be held in contempt of Congress, let alone that any GM executives be held criminally accountable for the cover-up.

GM has admitted to 13 fatalities related to the ignition defect, but the fact is that scores, if not hundreds, of people may have died as a result of GM’s actions. A study of NHTSA data commissioned by the consumer group Center for Auto Safety found that between 2002 and 2012 there were at least 303 deaths involving the 2003 – 2007 Ion and the 2005 – 2007 Cobalt in which airbags did not deploy.

Consumer safety advocates were quick to denounce the settlement. Texas attorney Bob Hilliard, who represents several families suing GM over deaths linked to the defective ignition switches, characterized the consent decree “a complete victory for GM” calling NHTSA a “toothless tiger.”

In a statement posted on its website the Center for Auto Safety group’s director, Clarence Ditlow, wrote, “Justice demands more than a \$35 million slap on the wrist to a hundred billion dollar corporation like GM when it kills customers.”

Under federal law, automakers are required to report safety defects to government regulators within 5 days of discovering them. GM had known for more than a decade that the ignition switches on the Cobalt and other recalled vehicles could be easily jarred out of the run position, killing engine power and creating a situation where drivers could lose control and crash under conditions where airbags were disabled.

Documents so far released by GM show that the company, despite being well aware of the problem, failed to issue a recall or warn customers. Instead GM merely sent a bulletin to dealers advising customers to

take extra items off their key chains. After numerous customer complaints GM engineers proposed a fix in 2005, but management rejected it as not cost effective.

In 2007 GM quietly introduced a redesigned ignition switch, but did not assign it a new part number, pointing to a cover-up.

The NHTSA, GM's supposed regulator, abetted the company's actions. In 2007 it brought to the attention of GM the results of an investigation of a fatal 2005 crash in which a 16-year old Maryland girl lost control of her Cobalt and slammed into a tree. The ignition switch had been in the accessory position, disabling the air bag. Another NHTSA team investigated a similar 2006 crash that killed a Wisconsin teenager.

However, NHTSA did not order a recall or pursue the matter further, despite mounting customer complaints and lawsuits against GM.

The whitewash by the Obama administration of GM's role in the deadly car crashes follows a pattern where corporate criminals are allowed to go unpunished. No one has been held accountable for the financial swindles on Wall Street that led to the 2008 financial crash. BP, responsible for the 2010 oil spill that contaminated the Gulf of Mexico, the worst environmental disaster in US history, was allowed to get away with paying a fine representing a fraction of its quarterly profits. Since then BP has been allowed to resume operations in the Gulf of Mexico.

GM has responded with lies and callous brutality toward the families of accident victims. It has falsely told victims' families that the deaths of their loved ones had no relation to any defect. It also threatened families, telling them they would be sued for attorney fees if they pursued their cases.

At the same time GM is seeking a ruling from a bankruptcy judge in New York protecting it for product liability lawsuits stemming from before July 2009, when it emerged from bankruptcy. The Obama administration inserted a clause into the restructuring agreement shielding the reorganized company from lawsuits relating to events before the bankruptcy.

Earlier this month GM won a major legal victory when a Texas judge ruled that the company did not have to issue a "park-it" order, advising owners of recalled vehicles not to drive their cars until repairs are made. Since the recall there have been at least two more fatal crashes involving vehicles subject to the

recall where airbags did not deploy.



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