

Documents indicate GM tops knew of ignition defect

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A federal grand jury has begun an investigation into General Motors' faulty ignition switch recall and is reportedly poised to issue subpoenas in the coming days. The announcement of an investigation comes after documents were released by GM supplier Delphi Automotive showing that a ranking executive of GM was aware of the deadly defect as far back as 2005.

The documents provide further evidence that GM officials deliberately chose not to repair defective ignition switches on several low-cost GM models because a recall and part replacement would undermine corporate profits. The ignitions can be easily jarred out of the run position, shutting off the engine and disabling power steering, brakes and protective airbags.

GM's internal investigation wrapped up last month. The report, which exonerated top management and denied there was any corporate cover-up, suggested that the nearly 11-year delay in recalling dangerous vehicles was largely due to communication glitches and mid-level bureaucratic incompetence. It chiefly blamed a now-fired mid-level engineer, Ray DeGiorgio, for the crisis.

New documents released by Delphi to the US House Energy and Commerce Committee suggest DeGiorgio may very well have been used as a fall guy to protect higher-ups. DeGiorgio, who was most closely involved with discovering and working on the ignition switch problem, seems to have wanted to fix the issue, but was denied the ability to do so by management. *Bloomberg* reports that "months after an internal committee killed a proposal for a new switch," DeGiorgio still kept on working at the issue. He contacted Delphi and began experimenting with new prototypes for the ignition switch, hoping to fix the problem.

According to information uncovered by attorneys for the family of a crash victim, DeGiorgio authorized a

change of the defective part without changing the part number—a violation of engineering principles, which strongly suggested a cover-up. However, it seems highly unlikely he could have done this on his own without the knowledge of upper management.

In this context the name that emerges from the newly released documents is Doug Parks, currently a vice president at GM. In 2005 Parks was the chief vehicle engineer on the Chevrolet Cobalt, one of the models with faulty ignition switches. Parks, it seems, was fully aware of the deadly problem. E-mails from 2005 show Parks was invited to several meetings about the Cobalt's defective ignition switch. As the car's chief engineer, he must have, at the very least, been aware of the topic of the meetings even if he was not present.

One of these meetings, held March 1, 2005, had the subject title "vehicle can be keyed off with knee while driving." Another meeting, on June 14, 2005, contained a series of slides about a *New York Times* article, which explained how the Chevrolet Cobalt could shut off unexpectedly.

Most tellingly, Parks wrote an email between these two meetings, sent on May 4 2005, which shows he had extensive knowledge of the issue. Parks, replying to an email detailing the problem, wrote, "can we come up with a 'plug' to go into the key that centers the ring through the middle of the key and not the edge/slot? This appears to be the only real, quick solution."

The emails that preceded Parks' were estimates of how much different fixes to the problem would cost. The solutions were grouped into "Short Term" and "Long Term Under Development." The long-term solution was the obvious—replace the part. Taken in this context Parks' e-mail implies the only "real" solution to the Cobalt ignition problem was the cheapest. In other words, a recall was entirely out of the question, as

it would cost too much. The cost, at one dollar per vehicle, was considered excessive.

Parks has since moved up the ranks quite a bit. He has been Vice President of Global Product Programs for GM since 2012, where he reported to now-GM CEO Mary Barra. *Bloomberg* described Parks as a “cornerstone” of Barra’s new GM organization.

While ranking GM executives claim they had no knowledge of the ignition issue until recently, an email from 2009 shows the switch problem was widely known inside the company, almost as an inside joke. “Gentleman!” a mid-level manager writes about the ignition switch issue, “This issue has been around since man first lumbered out of sea and stood on two feet. In fact, I think Darwin wrote the first [Problem Resolution Tracking System] on this and included as an attachment as part of his ‘Theory of Evolution.’”

In an email from September 2005, a manager explained why there would be no new ignition switch installed. He writes that it would be too expensive, each part costing 90 cents, for the new upcoming 2008 model. At a total cost of \$400,000, this was too much for the company. “Consequently,” the manager writes, “the ignition switch for the Deltas and Kappas will remain the carryover single detent switch until the piece cost hit can be eliminated or significantly reduced.” This email was sent to an executive of GM, Lori Queen, who in 2005 was in charge of the small car program. Also, according to the documents, even this short-term solution was not implemented for months.



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