

Toyota Faces \$16M Fine Over Recalls, Apparent Cover-up

Ken Thomas, Associated Press Writer

WASHINGTON (AP) — Toyota Motor Corp. faces a maximum penalty of more than \$16 million, a record civil penalty against an automaker, for failing to promptly notify the U.S. government about defective gas pedals among its vehicles.

Toyota has recalled more than 6 million vehicles in the U.S., and more than 8 million worldwide, because of acceleration problems in multiple models and braking issues in the Prius hybrid.

Transportation Secretary Ray LaHood said Monday that documents obtained from the Japanese automaker showed that Toyota knew of the problem with the sticking gas pedals in late September but did not issue a recall until late January. The sticking gas pedal recall involved 2.3 million vehicles.

"We now have proof that Toyota failed to live up to its legal obligations," LaHood said in a statement. "Worse yet, they knowingly hid a dangerous defect for months from U.S. officials and did not take action to protect millions of drivers and their families."

For those reasons, LaHood said, the government is seeking fine of \$16.375 million, the maximum penalty possible. In 2004, General Motors paid a record \$1 million fine for responding too slowly on a recall of nearly 600,000 vehicles over windshield wiper failure.

Toyota officials did not immediately respond to the announcement. The automaker has two weeks to accept or contest the penalty.

Under federal law, automakers must notify the department's National Highway Traffic Safety Administration within five days of determining that a safety defect exists and promptly conduct a recall.

The Transportation Department said the penalty against Toyota is specifically tied to the sticking pedal defect and Toyota could face additional penalties under the government's ongoing investigation.

The government has linked 52 deaths to crashes allegedly caused by accelerator problems in Toyotas. The recalls have led to congressional hearings, a criminal investigation by federal prosecutors, dozens of lawsuits and an intense review by the Transportation Department.

Toyota has attributed the problem to sticking gas pedals and accelerators that can become jammed in floor mats, and has cited no evidence of an electrical problem.

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Toyota dealers have fixed 1.7 million vehicles under recall so far.

Consumer groups have said electronics could be the culprit, and dozens of Toyota owners who had their cars fixed in the recall have complained of more problems with their vehicles surging forward unexpectedly.

Reviews of some recent high-profile crashes in San Diego and suburban New York have failed to find a mechanical or electronic problem. In the New York case, a police investigation found that the driver, not the car, was to blame.

Following the recalls, the Transportation Department demanded in February that Toyota turn over documents detailing when and how it learned of the problems with sticking accelerators and with floor mats trapping gas pedals.

NHTSA said documents provided by Toyota showed the automaker knew about the sticky pedal defect since at least Sept. 29, 2009, when it issued repair procedures to distributors in 31 European countries and Canada to address complaints of sticking pedals, sudden increases in engine RPM and sudden vehicle acceleration.

The government said the documents also show that Toyota knew that owners in the United States had experienced the same problems. Toyota has provided NHTSA with more than 70,000 pages of documents during the investigation.

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