BMW Fined $3M For Untimely 2010 Recalls

Joan Lowy, Associated Press

WASHINGTON (AP) — German automaker BMW has agreed to pay $3 million for delays in reporting safety defects and recalls to the federal regulators, the National Highway Traffic Safety Administration said Friday.

An examination of 16 recalls issued by BMW of North America LLC in 2010 found a pattern in which the automaker failed to meet federal requirements that known defects be reported within five days, the safety agency said in a statement.

As part of the settlement, BMW and its parent company, Bayerische Motoren Werke AG, agreed to make internal changes to its recall process, NHTSA said

"It's critical to the safety of the driving public that defects and recalls are reported in short order," NHTSA Administrator David Strickland said. "NHTSA expects all manufacturers to address automotive safety issues quickly and in a forthright manner."

Despite the safety agency's claim that some recall filings were late, "in every case where a defect was identified by the company a voluntary recall had been conducted," BMW said in a statement.

A summary report of NHTSA's investigation said the agency noticed in late 2010 a "troubling trend" in the automaker's recall filings over the course of the previous year — the company's initial recall filings were missing important information. Each time the problem was brought BMW's attention, the automaker would promise to provide the information but then would take "an inordinate amount of time to do so," the summary said.

For example, in only 6 out of 16 recall reports in 2010 was BMW able to say how many vehicles were affected and how many were expected to be recalled, the summary said. In only five of the reports did the automaker supply the required chronology of events, and all but one of the five were missing dates or other important information, the summary said.

NHTSA investigators also complained it was taking BMW on average over 30 dates to supply "fundamental" information missing from recall updates.

The recalls involved motorcycles, as well as sport utility vehicles.

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