



U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

ODI RESUME

Investigation: AQ 14-001
Prompted by: 13V-173
Date Opened: 05/02/2014
Investigator: Alexander Ansley
Approver: Stephen Ridella
Subject: Sands Chevrolet/Hybrid System Fire/Stall
Date Closed: 05/22/2016
Reviewer: Jennifer Timian

MANUFACTURER & PRODUCT INFORMATION

Manufacturer: General Motors LLC
Products: MY12-13 Buick Lacrosse/Regal & MY13 Chevrolet Malibu Eco
Population: 1
Problem Description: NHTSA received information suggesting that Sands Chevrolet, located in Surprise, AZ, sold and delivered at least one new vehicle to a customer without having had all required safety recall repairs performed on that vehicle.

ACTION / SUMMARY INFORMATION

Action: Close Audit Query

Summary:

NHTSA opened AQ14-001 to determine whether Sands Chevrolet of Surprise, Arizona complied with the requirements of the National Traffic and Motor Vehicle Safety Act, 49 U.S.C. Chapter 301 (Safety Act) and its implementing regulations. The Safety Act requires, among other things, that a manufacturer notify its dealers of defects related to motor vehicle safety and non-compliances with Federal Motor Vehicle Safety Standards and, in turn, that a dealer not sell and deliver a new vehicle subject to a recall unless the recall remedy has been performed (49 U.S.C. §§ 30112(a), 30120(i)).

NHTSA issued an information request (IR) letter to Sands Chevrolet on May 5, 2014. Sands Chevrolet responded to this request on May 22, 2014. To ensure NHTSA's information request encompassed all possible reference codes for General Motors recall 13V-173, NHTSA issued another IR letter to Sands Chevrolet on June 8, 2015. Again, a response letter was received on June 9, 2015.

NHTSA's investigation indicated that Sands Chevrolet did sell and deliver recalled vehicles that did not have the recall remedy completed at the time the vehicles were delivered to the customers. NHTSA therefore concluded that Sands Chevrolet was liable for civil penalties for violations of the Safety Act, pursuant to 49 U.S.C. § 30165. Under a Settlement Agreement dated March 24, 2016, Sands Chevrolet represented that it improved its processes to verify that it checks every vehicle for recalls prior to delivery to the purchaser and that it has not sold and delivered any unremedied new motor vehicles since June 9, 2015. Sands Chevrolet also represented that it now also checks for open recalls on every customer vehicle brought in for service, and that it checks for open recalls on every used trade-in vehicle, regardless of make or model, and takes steps to have all used trade-in vehicles repaired prior to retail sale. Sands Chevrolet admitted to violating the law and must pay civil penalties in the amount of \$40,000.

This Audit Query is closed.