



U.S. Department  
of Transportation

**National Highway  
Traffic Safety  
Administration**

## ODI RESUME

**Investigation:** AQ 14-003  
**Prompted by:**  
**Date Opened:** 10/20/2014  
**Investigator:** Robert Garris  
**Approver:** Stephen Ridella  
**Subject:** Chrysler's execution of 13V-528 & 529

**Date Closed:** 05/16/2016  
**Reviewer:** Jennifer Timian

### MANUFACTURER & PRODUCT INFORMATION

**Manufacturer:** Chrysler (FCA US LLC)  
**Products:** Certain 2003-2012 Dodge RAM 1500, 2500, and 3500  
**Population:** 971,721

**Problem Description:** Slow execution of recall campaigns, coupled with poor communications with the agency over potential recall remedy part problems.

### ACTION / SUMMARY INFORMATION

**Action:** Close Audit Query (AQ)

**Summary:**

RMD opened this audit query (AQ) investigation in order to better understand and evaluate Chrysler's process(es) for timely and efficient execution of its safety recall campaigns, including its oversight and management of its parts division Mopar. Prior to opening this investigation, RMD had raised concerns with the company related to its execution of two safety recalls, 13V-528 and 13V-529, both of which involved safety defects that could cause the involved vehicles, FCA's heavier Dodge Ram trucks, to lose steering control suddenly and without warning.

Specifically, RMD inquired about the availability of parts for recall repairs, by email and phone on January 15, 2014 and February 19, 2014, due to the volume of complaints it was receiving from owners alleging parts scarcity and parts restrictions. FCA steadfastly denied it had placed parts restrictions on its dealers to manage issues of parts scarcity. FCA shared material showing it had uncommitted stock of parts available for its dealers. Nevertheless, consumer complaints of lack of parts continued. RMD made independent inquiries to some dealers to better understand the conflicting claims between owners alleging lack of ability to repair their defective vehicles due to lack of parts, and FCA's information showing availability of parts. Dealers informed and provided documentation to RMD on February 21, 2014 and February 25, 2014 showing FCA had, in fact, put into place parts restrictions and, further, had in some instances canceled dealerships' back orders for parts.

In addition, during the course of its dialogue with dealers, RMD discovered that FCA had notified their dealerships on February 27, 2014 to return the recall remedy parts over quality concerns, and had therefore effectively canceled its safety recall program without notification to NHTSA. RMD issued a request for information (IR) on October 21, 2014. The company failed to respond to a number of the questions RMD asked that required it to produce specifics surrounding the repairs and parts ordering process with the recalls, including a question about whether a dealer order for recall parts could be canceled and under what circumstances.

RMD issued a second request on February 26, 2015, and FCA provided its supplemental response on March 9, 2015. RMD reviewed this second response and initiated several discussions with the company to clarify and seek specifics related to the materials it had supplied relative to its parts ordering and management process.

Eventually, and in connection with the agency's continued pursuit of specifics related to the company's parts ordering and supply management, FCA produced images from its parts management system exhibiting that it did, in fact, have a parts restriction in place, had awareness that dealers were unable to obtain sufficient parts, and that it had engaged in a practice of canceling dealer back orders for recall parts.

In a Consent Order executed on July 24, 2015, FCA US LLC ("FCA") admitted that it violated the Safety Act in three areas: effective and timely recall remedies, notification to vehicle owners and dealers, and notifications to NHTSA.

As part of the Consent Order and a subsequent Amendment executed on December 8, 2015, NHTSA imposed a total civil penalty of \$175 million against FCA for its violations of the Safety Act. The civil penalty consists of two cash payments and additional payments should the company commit further violations of the Safety Act or the Consent Order. FCA paid the first \$70 million penalty on September 18, 2015, and the second \$70 million penalty on January 7, 2016. As required, an independent monitor is assessing, tracking and reporting on the company's compliance with the Consent Order and the Safety Act. Failure to resolve any issues discovered during the Consent Order period will result in additional penalty payments coming due. The Consent Order also contains performance obligations, including development of best practices for Safety Act compliance, retention of an independent third-party consultant, actions to remedy past noncompliances with the Safety Act, repurchasing some defective vehicles, financial incentives, employee training, and industry outreach.

The population listed in this closing resume is based on recalls 13V-528 and 13V-529 only, and does not include other issues addressed by the Consent Order, which relates to FCA's entire business.

Based on the Consent Order, FCA's admissions that it violated the law, and its ongoing performance obligations, this audit query investigation, AQ14-003, is closed. Closure of this AQ has no bearing on the terms of the Consent Order, including FCA's ongoing performance obligations or legal obligations, and does not represent a determination by the agency as to FCA's performance under the Consent Order to date.