



U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

ODI RESUME

Investigation: AQ 15-004
Prompted by:
Date Opened: 09/24/2015
Investigator: Sarah Sorg
Approver: Stephen Ridella
Subject: BMW Safety Act Violations

Date Closed: 10/02/2017
Reviewer: Kara Fischer

MANUFACTURER & PRODUCT INFORMATION

Manufacturer: BMW of North America, LLC
Products: 2014-2015 MINI Cooper & Cooper S, 2015 John Cooper Works
Population: 30,456

Problem Description: The investigation found that BMW NA violated the Safety Act.

ACTION / SUMMARY INFORMATION

Action: Close Audit Query (AQ)

Summary:

In a Consent Order executed on December 17, 2015, BMW of North America, LLC ("BMW NA") admitted that it violated the Safety Act by: failing to conduct a timely recall for Recall No. 15V-450; failing to file certain quarterly recall reports in a timely manner; failing to timely notify vehicle owners of the existence of a defect or noncompliance; failing to promptly advise NHTSA of delays with the beginning or completion dates for mailing owner or dealer notifications; and failing to timely submit copies to NHTSA of communications relating to recalls.

As part of the Consent Order, NHTSA imposed a total civil penalty of \$40 million against BMW NA for its violations of the Safety Act. The civil penalty consists of a cash payment, monetary performance obligations, and stipulated penalties. BMW NA paid the \$10 million cash penalty on February 12, 2016. Failure to comply with the terms of the Consent Order or the Safety Act will result in portions of the stipulated penalties coming due. The Consent Order required BMW NA to appoint an independent safety consultant to assist BMW NA in developing best practices for complying with the Safety Act and evaluating safety issues under consideration by BMW NA. BMW NA was also required to develop a program to train dealers on the importance of complying with the prohibition on selling unremedied vehicles under recall, improve dealers' access to information necessary to maximize completion of open recalls, and invest in a pilot program to determine whether BMW NA can use data analytics to detect emerging safety defect trends.

The population listed in this closing resume is based on BMW NA's untimely recall and does not include other issues addressed by the Consent Order, which relate to BMW NA's safety processes.

Based on the Consent Order, BMW NA's admissions that it violated the law, and its ongoing performance obligations, this audit query investigation, AQ15-004, is closed. Closure of this AQ has no bearing on the terms of the Consent Order, including BMW NA's ongoing performance obligations or legal obligations, and does not represent a determination by NHTSA as to BMW NA's performance under the Consent Order to date.