



U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

ODI RESUME

Investigation: RQ 17-004
Date Opened: 05/18/2017
Investigator: Scott Yon
Approver: Stephen Ridella
Subject: Scope and Timeliness
Date Closed: 12/22/2021
Reviewer: Tanya Topka

MANUFACTURER & PRODUCT INFORMATION

Manufacturer: Hyundai Motor America
Products: Vehicles subject to Recall Nos. 15V-568 and 17V-226.
Population: 1,042,000
Problem Description: Model Year (MY) 2011 - 2014 Hyundai vehicles with "Theta II" engines previously recalled under Recall Nos. 15V-568 and 17V-226. The recalls addressed a condition which could cause the engine to seize and the vehicle to stall.

FAILURE REPORT SUMMARY

	ODI	Manufacturer	Total
Complaints:	N/A	N/A	N/A
Crashes/Fires:	N/A	N/A	N/A
Injury Incidents:	N/A	N/A	N/A
Fatality Incidents:	N/A	N/A	N/A

ACTION / SUMMARY INFORMATION

Action: This investigation is closed. Hyundai has entered into a Consent Order with the Agency.

Summary:

NHTSA opened Recall Query (RQ) 17-004 to investigate the timeliness and scope of Hyundai's Theta II GDI engine recalls (Recall Nos. 15V-568 and 17V-226), and Hyundai's compliance with reporting requirements. On November 23, 2020, the Agency entered into a Consent Order with Hyundai to administratively resolve NHTSA's assertions of violations of law in connection with RQ17-004. NHTSA's assertions included that Hyundai may be liable for civil penalties on multiple grounds, including the untimeliness of Recall Nos. 15V-568 and 17V-226, inaccuracies in Hyundai's recall reports, and that a required report describing potential safety-related issues contained certain inaccuracies or omissions.

Under the Consent Order, Hyundai agreed to a total civil penalty of \$140,000,000. The total civil penalty included payment of \$54,000,000 as a Non-Deferred Amount. Hyundai also agreed to a sum of \$46,000,000 as an Abeyance Amount to be deferred and held in abeyance pending its satisfactory completion, as reasonably determined by NHTSA, of the requirements of the Consent Order. Additionally, Hyundai agreed to a \$40,000,000 Performance Obligation Amount to be expended by Hyundai to fulfill specified Safety Data Analytics Infrastructure obligations and Test and Inspection Laboratory obligations. The Consent Order also includes other terms designed to enhance Hyundai's safety practices, and requires Hyundai to retain a Third-Party Auditor who directly reports to NHTSA.

Other than RQ17-004, the Consent Order is not intended to affect any other current or future investigation which may involve vehicles equipped with Theta II GDI engines. In particular, Engineering Analysis (EA) 21-003 (which is upgraded from Preliminary Evaluation (PE) 19-003) continues NHTSA's evaluation of certain performance and design issues relating to the Theta II and other engines.

Nothing in the Consent Order discharges Hyundai from any obligation to comply with the Safety Act or regulations thereunder, including the obligation to carry out recalls in accordance with law, and to initiate a recall upon any future determination by Hyundai, or upon any finally adjudicated order from NHTSA, that vehicles equipped with Theta II GDI

engines contain a defect related to motor vehicle safety or do not comply with an applicable FMVSS.

This RQ is closed. Closure of this RQ has no bearing on the terms of the Consent Order, including Hyundai's ongoing performance obligations, and does not represent a determination by the agency as to Hyundai's performance under the Consent Order to date.