U.S. Department of Transportation

National Highway Traffic Safety Administration

ODI RESUME

OFFICE OF DEFECTS INVESTIGATION

NHTSA

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Investigation:	AQ 18-004		
Prompted by:			
Date Opened:	10/22/2018	**Date Closed:**	06/01/2020
Investigator:	Jennifer Kruger	**Reviewer:**	Joshua Neff
Approver:	Stephen Ridella		
Subject:	Recall Administration Concerns		

MANUFACTURER & PRODUCT INFORMATION

Manufacturer:	Mercedes-Benz USA, LLC.
Products:	Various Makes and Models
Population:	1,419,373
Problem Description:	Recurrent recall administration and execution concerns, including service disruptions impacting the availability of information concerning open recalls on the NHTSA VIN-based look up tool.

ACTION / SUMMARY INFORMATION

Action: AQ Closed.

Summary:

The National Highway Traffic Safety Administration (NHTSA) and Mercedes-Benz USA LLC (MBUSA) entered a settlement agreement on December 17, 2019 to resolve NHTSA Audit Query number 18-004 (AQ18-004). Notwithstanding MBUSA's explanations and positions, NHTSA determined the following: owner letters for six recalls were mailed beyond the sixty-day deadline from the Part 573 report date; in twenty-two recalls, the final issued copies of owner's letters were not uploaded within the required 5-day time frame; six quarterly reports involving four recalls were not submitted according to the schedule set forth in 49 CFR 573.7(d); fourteen recalls were not updated when owner letter launch dates became available, as required in 49 CFR 573.6(a); and for recalls 18V-405 and 18V-610 NHTSA alleges that MBUSA did not submit the Part 573 report within five business days of when it knew or should have known that the noncompliance existed. NHTSA also raised concerns with MBUSA regarding the efficacy of MBUSA's VIN Lookup Tool with the requirements contained in 49 CFR 573.15.

MBUSA has responded, both in writing and through subsequent meetings to all the concerns mentioned above and committed to addressing these concerns moving forward.

As part of the settlement agreement, MBUSA agreed to a total civil penalty of $20 million, with $13 million to be paid within 45 days of the effective date of the settlement agreement. Failure to comply with the terms of the settlement agreement will result in portions of the $7 million in abeyance funds coming due.

NHTSA acknowledged the efforts made by MBUSA to improve their recall administration, including making substantial financial investments into a new automated recall management tool, and hiring and training personnel. The settlement agreement details how both parties will move forward with quarterly assessment meetings, and address any issues with timely communication.

Based on the Settlement Agreement this audit query investigation, AQ18-004, is closed. Closure of this AQ has no bearing on the terms of the Settlement Agreement, including MBUSA's ongoing performance obligations or legal obligations, and does not represent a determination by NHTSA as to MBUSA's performance under the settlement agreement to date.