

Beat: Automobiles

Toyota to pay record \$1.2 billion to settle U.S. probe

-, 19.03.2014, 21:17 Time

USPA News - Automotive manufacturer Toyota has reached a record \$1.2 billion settlement with the U.S. Justice Department to end a four-year-long criminal investigation into the company's response to consumer complaints of unintended acceleration, officials announced on Wednesday. Toyota Motor Corp. was charged with criminal wire fraud as part of the settlement, according to U.S. Attorney General Eric Holder who said the company made "misleading public statements to consumers and gave inaccurate facts to Members of Congress" in regards to the vehicle safety issues.

The massive settlement, which follows a four-year investigation into the company's vehicle recall and cover-up of important safety information, will require Toyota to "fully cooperate" with federal authorities and comply with all aspects of the deal or risk criminal prosecution. The deal will also require Toyota to allow an "independent monitor" to review all policies and procedures relating to the company's safety communications process, the internal sharing of information in regards to vehicle accidents, and its process for the preparation and sharing of certain technical reports. "Today, we can say for certain that Toyota intentionally concealed information and misled the public about the safety issues behind these recalls," Holder said on Wednesday when announcing the settlement, which he called the "largest criminal penalty imposed on a car company in U.S. history." In a 'Statement of Facts' filed alongside criminal information in the case, Toyota admitted that the company made misleading statements and undertook actions of concealment as part of efforts to protect its brand. "In other words, Toyota confronted a public safety emergency as if it were a simple public relations problem," Holder said in response to their defense. "And they mounted this cover-up despite widely-documented incidents, and even tragic accidents, like the one that took the lives of an off-duty California Highway Patrol Officer and members of his family." Holder continued: "Put simply, Toyota's conduct was shameful. It showed a blatant disregard for systems and laws designed to look after the safety of consumers. By the company's own admission, it protected its brand ahead of its own customers. This constitutes a clear and reprehensible abuse of the public trust." Responding to Wednesday's settlement, Christopher P. Reynolds, chief legal officer at Toyota Motor North America, said the company has made 'many changes' in the years since 2009 to improve the company's response to consumer needs. "We have made fundamental changes across our global operations to become a more responsive company - listening better to our customers' needs and pro-actively taking action to serve them," Reynolds said. "Specifically, we have taken a number of steps that have enabled us to enhance quality control, respond more quickly to consumer concerns, strengthen regional autonomy and speed decision-making." The justice department's investigation began in 2009 after accidents occurred in which Toyota vehicles accelerated when the drivers did not intend for them to do so. Toyota initially blamed jammed floor mats for causing the problems with the vehicles. Reynolds addressed this previous company statement on Wednesday, saying that the company had "addressed the sticky pedal and floor mat entrapment issues with effective and durable solutions" and would "stand behind the safety and quality of [their] vehicles." "Entering this agreement, while difficult, is a major step toward putting this unfortunate chapter behind us," Reynolds continued. "We remain extremely grateful to our customers who have continued to stand by Toyota. Moving forward, they can be confident that we continue to take our responsibilities to them seriously."

Article online:

<https://www.uspa24.com/bericht-2022/toyota-to-pay-record-12-billion-to-settle-us-probe.html>

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Official Federal Reg. No. 7442619