Honda accused by watchdog of not reporting all airbag incidents

Center for Auto Safety calls for criminal investigation

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WASHINGTON (Bloomberg) -- Honda Motor Co. is being accused by a watchdog group of underreporting injuries and fatalities from defective airbags, hampering a U.S. government system designed to spot patterns in automotive flaws.

The Center for Auto Safety, a research group that has been tracking recalls and defects since it was founded in 1970, asked transportation regulators today to refer Honda to the Justice Department for a criminal investigation. It cited a 2009 fatality and an August 2013 incident resulting in serious injury that weren’t included in Honda’s Early Warning Reports.

Two spokesmen in the U.S. for Honda couldn’t immediately be reached for comment by telephone or e-mail.

The issue being raised centers around Takata Corp. -- a main supplier of airbags to Honda, Toyota Motor Corp. and Nissan Motor Co. -- and how car companies have responded to defects in the safety feature. Honda is Takata’s biggest customer and has said it’s called back 6 million vehicles for problems with the airbags in nine recalls since 2008.

Honda failed to notify the National Highway Traffic Safety Administration of several airbag incidents that led to deaths and lawsuits, the Center for Auto Safety said in a letter today to David Friedman, NHTSA's deputy administrator.

A NHTSA spokeswoman said the agency is in contact with Honda regarding “concerns about their EWR reporting, and is reviewing information to determine compliance. Based on NHTSA’s open investigation, the agency will take appropriate action, including expanding the scope of the recall if warranted.”

Spotting trends

Automakers are required to file quarterly reports to NHTSA about fatalities, injuries, lawsuits, warranty claims and customer complaints under a 2000 law. The safety agency is supposed to analyze Early Warning Reports to spot trends suggestive of safety defects as soon as possible.

“The whole purpose is to get to major defects quicker,” Clarence Ditlow, executive director for the Center for Auto Safety, said in an interview. “You can’t protect the public if a company doesn’t turn over EWR reports.”

General Motors Co. reported 1,716 early-warning death and and injury claims to NHTSA last year, while Toyota logged 1,774, according to Ditlow’s group. Honda during that same period reported 28, the center said.

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Separately, U.S. Sens. Edward Markey, D-Mass., and Richard Blumenthal, D-Conn., wrote to NHTSA today expressing alarm over the agency’s use of limited “regional” recalls to address defects like the Takata airbags.

The Takata airbag issues have prompted Toyota, Subaru, Honda, BMW and other automakers to recall or inspect millions of vehicles, sometimes through national recalls and sometimes through regional campaigns.

“The wide range of automaker response to the potential safety defect in Takata airbags is puzzling and inconsistent,” the Senators wrote in their letter to NHTSA.

Noting the Center for Auto Safety allegations against Honda, Markey and Blumenthal asked NHTSA for additional information about how the agency ensures compliance with reporting requirements.

“We are concerned that NHTSA has not made real efforts to determine whether automakers have complied with this requirement to alert the public to potentially deadly defects,” they said in a statement.

In a statement, the NHTSA spokeswoman said public safety is NHTSA’s top priority and that the agency is working to establish a “new normal” with automakers when it comes to safety defects.

“That’s why NHTSA launched an aggressive investigation into Takata airbags and urged all of the affected automakers to immediately conduct recalls in areas with the highest known risk despite the uncertainties in this case,” the spokeswoman said.

Ryane Beene contributed to this report.