

NHTSA Announces Consent Orders with Hyundai and Kia Over Theta II Recall

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The National Highway Traffic Safety Administration today announced consent orders with Hyundai Motor America, Inc. and Kia Motors America, Inc. related to recalls for vehicles equipped with Theta II engines. The combined penalties amount to \$210 million.

The consent orders reflect the agency's assessment that both Hyundai and Kia conducted untimely recalls of over 1.6 million vehicles equipped with Theta II engines, and inaccurately reported certain information to NHTSA regarding the recalls.

The consent orders establish both monetary and non-monetary measures designed to enhance each company's safety practices. In addition to monetary penalties, Kia will be creating a new U.S. safety office headed by a Chief Safety Officer, and Hyundai will be building a U.S. test facility for safety investigations. Both companies will develop and implement sophisticated data analytics programs to better detect safety-related concerns. Under the agreements, each company will retain an independent, Third-Party Auditor, who will directly report to NHTSA. Each Third-Party Auditor will conduct a comprehensive review of the company's Safety Act practices and compliance with the consent order. Both companies also committed to substantial organizational improvements to enhance their ability to identify and investigate potential safety issues in the United States, as well as facilitate consistent and transparent communication with NHTSA.

"Safety is NHTSA's top priority," said NHTSA Deputy Administrator James Owens. "It's critical that manufacturers appropriately recognize the urgency of their safety recall responsibilities and provide timely and candid information to the agency about all safety issues."

Under the consent order, Hyundai is subject to a total civil penalty of \$140 million. This includes an upfront payment of \$54 million, an obligation to expend an additional \$40 million on specified safety performance measures, and an additional \$46 million deferred penalty that may become payable if specified conditions are not satisfied. The Hyundai consent order is for three years, with an option for NHTSA to extend the order for an additional year if warranted.

Under the Kia consent order, the company is subject to a total civil penalty of \$70 million. This includes an upfront payment of \$27 million, an obligation to expend an additional \$16 million on specified safety performance measures, and an additional \$27 million deferred penalty that may become payable if specified conditions are not satisfied. The Kia consent order is for two years, with an option for NHTSA to extend the order for an additional year if warranted.

These consent orders do not affect separate, ongoing investigations by NHTSA's Office of Defects Investigation regarding allegations of non-crash fires in certain Hyundai and Kia vehicles, some of which are equipped with Theta II engines.

[Hyundai consent order](#) | [Kia consent order](#)

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