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MADIGAN REACHES \$29 MILLION SETTLEMENT WITH TOYOTA***Attorneys General Settle Over Toyota's Failure to Alert Motorists to Known Safety Defects***

Chicago — Attorney General Lisa Madigan today joined a \$29 million, multi-state settlement with Toyota Motor Corporation over its failure to alert motorists to dangerous safety defects that caused millions of vehicles to unintentionally accelerate.

"In spite of the evidence that millions of vehicles had serious defects, Toyota continued to promote and sell cars that put its customers in great danger," Madigan said.

Madigan and the states allege Toyota officials were aware of the defects that caused millions of its vehicles, including the Camry, Corolla and Prius, to unintentionally accelerate but failed to alert the public and continued to market and advertise Toyota vehicles as safe. The defects led to wide-ranging recalls of its vehicles in late 2009 and 2010.

Under the agreement, Toyota will pay \$29 million to the states, including nearly \$1 million to Illinois. While most vehicles covered in the recall have been repaired, the company also agreed to provide additional restitution for customers who incurred related costs, such as for rental cars or public transportation. In addition to the restitution, the settlement bans Toyota from advertising the safety of vehicles without sound engineering data to back such safety claims, according to the agreement.

The states' investigation showed that poor internal communication within Toyota partially allowed for the manufacturer's failure to timely report the safety concerns to drivers. The settlement requires Toyota to implement changes to its corporate culture and corporate chain of command to prevent future communication failures. Toyota will ensure that officials and officers of its United States operations have timely access to information and the authority to fully participate in all decisions affecting the safe operation of Toyota vehicles advertised and sold in the United States.

In addition, the settlement provides that Toyota is:

- Prohibited from reselling a vehicle it reacquired with alleged safety defects without informing the purchaser about the alleged defect(s) and certifying that the reacquired vehicle has been fixed;
- Prohibited from misrepresenting the purpose of an inspection or repair when directing consumers to bring their vehicles to a dealer for inspection or repair; and
- Required to exclude from the "Toyota Certified Used Vehicles" or "Lexus Certified Pre-Owned Vehicles" categories any vehicle acquired through lemon law proceedings or voluntarily repurchased by Toyota to ensure customer satisfaction.

Joining Madigan in today's settlement were attorneys general from Alabama, the U.S. territory American Samoa, Arizona, Arkansas, Colorado, Connecticut, Florida, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Washington and Wisconsin.

-30-

[Return to February 2013 Press Releases](#)