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October 19, 2017

ATTORNEY GENERAL MADIGAN REACHES \$120 MILLION SETTLEMENT WITH GENERAL MOTORS OVER DEFECTIVE IGNITION SWITCH

Illinois to Receive \$3.1 Million of National Settlement

Chicago — Attorney General Lisa Madigan and 49 other attorneys general today announced a \$120 million settlement with General Motors Company (GM) over allegations GM concealed safety issues related to ignition switch defects in GM vehicles. Illinois' share of the national settlement is approximately \$3.1 million.

The settlement concludes an investigation by Madigan's office and the attorneys general of 48 states and the District of Columbia into GM's failure to disclose known ignition switch safety defects. The defective switches in several GM models left consumers vulnerable to serious injuries if they had been involved in collisions.

"GM's priority must always be drivers' safety," Madigan said. "GM should have quickly informed vehicle owners that if its ignition switches malfunctioned while driving, it could cause deadly safety problems."

In 2014, GM issued seven recalls related to defective ignition switches that impacted more than 9 million vehicles across the country. The switches could slip out of the "on" position, even while vehicles were being driven, leaving electrical systems such as power steering and power brakes inoperable. If a vehicle was involved in a collision once the switch slipped out of the "on" position, airbags would likely not deploy, significantly increasing the risk of serious injury or death in certain types of crashes.

Madigan's investigation revealed that certain GM employees knew as early as 2004 that the ignition switch jeopardized drivers' safety and could prevent airbags from deploying but continued to market the reliability and safety of vehicles equipped with the defective switch.

Madigan and the other attorneys general alleged that the company's actions were deceptive and violated state consumer protection laws. Under the settlement, GM is required to:

- Ensure that a motor vehicle complies with all applicable Federal Motor Vehicle Safety Standards before being characterized as being safe;
- Ensure that certified pre-owned vehicles are not subject to any open safety recalls and if they are, have been repaired before advertising the vehicles as being safe and passing rigorous safety inspections;
- Represent that certified pre-owned vehicles that GM advertises are safe, have been repaired for safety issues, or have been subject to rigorous inspection, unless such vehicles are not subject to any open recalls relating to safety or have been repaired pursuant to such a recall;
- Instruct its dealers that all applicable recall repairs must be completed before vehicles sold in the U.S. are eligible for certification; and
- Complete the required repair before a vehicle is delivered to a customer when there is a recall on any certified pre-owned vehicle sold in the U.S.

Joining Madigan in today's settlement are the attorneys general of: Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Assistant Bureau Chiefs Greg Grzeskiewicz and Cassandra Halm handled the investigation and settlement for Madigan's Consumer Protection Bureau.

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