



# Commonwealth of the Northern Mariana Islands

## Office of the Attorney General

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**For Immediate Release**

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### **AG Manibusan Announces \$85M Multistate Settlement with American Honda Motor Company, Inc. and Honda of America Mfg., Inc.**

**Office of the Attorney General, Saipan** – Attorney General Edward Manibusan announced today a more than \$85 million multistate settlement with American Honda Motor Co., Inc. and Honda of America Mfg., Inc. (collectively “Honda”), over allegations Honda concealed safety issues related to defects in the frontal airbag systems installed in certain Honda and Acura vehicles sold in the United States. The systems were designed and manufactured by Takata Corporation, a long-time Honda supplier, and were first installed in Honda vehicles in the 2001 model year.

The settlement, reached between the attorneys general of 48 states, territories, and the District of Columbia and Honda, concludes a multistate investigation into Honda’s alleged failure to inform regulators and consumers that the frontal airbags posed a significant risk of rupture, which could cause metal fragments to fly into the passenger compartments of many Honda and Acura vehicles. The ruptures have resulted in at least 14 deaths and over 200 injuries in the United States alone.

“Because Honda Motors failed to inform the public of airbag system defects in its fleet of vehicles sold to millions of consumers, a hefty settlement is now the result of negligence on the automaker,” states Attorney General Edward Manibusan. He continues, “This lawsuit should serve as a warning to other auto companies who deceive consumers for profit gain over consumer safety.”

The states have alleged that Honda engineers suspected that the airbags’ propellant, ammonium nitrate, could burn aggressively and cause the inflator to burst. Despite these concerns, Honda delayed warning consumers or automobile safety officials, even as it began partial recalls of affected vehicles in 2008 and 2009. Further, Honda continued to represent to consumers that its vehicles, including its airbags, were safe. Since 2008, Honda has recalled approximately 12.9 million Honda and Acura vehicles equipped with the suspect inflators.

The states have alleged that Honda’s actions, or perhaps more accurately its failures to act, as well as its misrepresentations about the safety of its vehicles, were unfair and deceptive, and that Honda’s conduct violated state consumer protection laws, including the CNMI’s Consumer Protection Act. Under the terms of the consent judgment, which will be filed with the Superior Court in the Commonwealth of the Northern Mariana Islands, Honda has agreed to strong injunctive relief, which, among other things, require it:

- To take steps to ensure that future airbag designs include “fail-safe” features to protect passengers in the event the inflator ruptures.

- To adopt changes to its procurement process for new frontal airbags, to ensure that its suppliers have the appropriate industry certifications and satisfy key industry performance standards, as well as improve record-keeping and parts tracking.
- To implement recurrence prevention procedures designed to prevent a tragedy like this from ever happening again, such as requiring that Honda approve all new frontal airbag designs *before* the company will consider them for use in new Honda vehicles.
- To abide by prohibitions on misleading advertisements and point of sale representations regarding the safety of Honda's vehicles, including the airbags.
- To make improvements in critical areas such as risk management, quality control, supplier oversight, training and certifications, and implementing mandatory whistleblower protections.

Honda also agreed to pay the participating attorneys general a total of \$85,151,210.15. The CNMI Office of the Attorney General will receive a small portion of the settlement amount.

In addition to the Northern Mariana Islands, the multistate group – led by South Carolina, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Maryland, New Jersey, Oregon, South Dakota, and Texas – includes Alabama, Alaska, Colorado, Delaware, Guam, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Consumers who own a Honda or Acura vehicle are strongly encouraged to visit Honda's airbag recall website at <https://hondaairbaginfo.com>, or call its Customer Service toll-free number at (888) 234-2138, to see if their vehicle is subject to a recall. Consumers may also check for open recalls by going to [Safercar.gov](http://Safercar.gov). All safety recall repairs are FREE at authorized Honda dealers. CNMI consumers can also contact the Office of the Attorney General's Office of the Consumer Counsel at 237-7500 or email at [consumer\\_counsel@cnmioag.org](mailto:consumer_counsel@cnmioag.org) with any questions about this settlement.

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