

The Virgin Islands Consortium

2,500 Virgin Islanders To Receive \$200 Checks From D.O.J. As Part Of Settlement With Takata Corporation

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ST. THOMAS -- Attorney General Claude Earl Walker, on behalf of the U.S. Virgin Islands, today announced a settlement with Takata Corporation and its U.S. subsidiary, TK Holdings, Inc., over the Virgin Islands' claims that Takata engaged in unlawful practices in connection with the manufacturing, marketing and sale of its dangerous airbags installed in vehicles sold to Virgin Islands consumers.

At a joint press conference with Department of Licensing and Consumer Affairs Commissioner Delvin Carrington and Commissioner of the Bureau of Motor Vehicles Lawrence Olive held at the Department of Justice's conference room, Mr. Walker said today's settlement resolves the Virgin Islands' claims against the Takata companies after

a year and a half of the Virgin Islands Department of Justice's (D.O.J.) successful prosecution of the car parts maker.

Takata, which filed for bankruptcy last year, agreed to pay the Virgin Islands, along with two other jurisdictions – the states of Hawaii and New Mexico – a projected amount of approximately \$7 million, which represents the largest payment to any group of states related to the dangerous Takata airbags. The Virgin Islands' share of the settlement is to be approximately \$1.5 million. About \$500,000 of these settlement proceeds will be used by Mr. Walker to compensate up to 2,500 Virgin Islands consumers who own older vehicles containing Takata airbags with the sum of \$200 each.

The remaining \$1 million will be sent to the Department of Finance to be used as sees fit by the Mapp administration.

"This settlement is significant because it represents the largest payment to any group of states related to the dangerous Takata airbags," Mr. Walker said. "This is unprecedented in the Virgin Islands, whereby a large number of affected consumers will receive such a handsome amount in this case."

Of the 2,500 consumers who stand to benefit from this consumer settlement, 1,217 will be from St. Thomas and 67 from St. John.



From left to right: A.G. Claude Walker, BMV

Director Lawrence Olive, and Devin Carrington, DLCA commissioner.

"Contact will be made with these eligible consumers by various means to have them receive their checks," Mr. Walker said. "We intend to disburse the checks on St. John, St. Croix and then St. Thomas by having the consumers who are notified come in to retrieve them. They will be required to present their current vehicle registration and their Virgin Islands driver's license."

In May 2016, the Department of Justice filed a lawsuit against Takata and Honda for concealing and misrepresenting the risks posed by their dangerous airbags installed in vehicles sold and leased to Virgin Islands consumers. One year later, the D.O.J. filed a second lawsuit against three more automakers – Toyota, Nissan, and Ford – that equipped their cars with Takata airbags. Hawaii and the State of New Mexico, which join the Virgin Islands in today's \$7 million settlement, also filed lawsuits against Takata and the automakers.

The use of Takata's airbags led to the largest recall in automotive history, involving more than 40 million vehicles in the U.S. and a \$1 billion criminal plea agreement with the

federal Department of Justice, and resulted in TK Holdings' filing for Chapter 11 bankruptcy in Japan in June 2017. The settlement, which the D.O.J. achieved by continuing to pursue its claims and protect the Virgin Islands' rights in the bankruptcy, has now been approved by the bankruptcy court.

"We will continue to pursue the car manufacturers – Honda, Ford, Nissan and Toyota – which we allege also played a major role in deceiving Virgin Islands drivers and their families about the safety risks posed by the airbags in the cars they sold," Mr. Walker said. "I cannot emphasize enough that the longer that some of these vehicles stay on the road, the more dangerous they become."

Mr. Olive echoed Mr. Walker's sentiments, stating that this Takata settlement represents one of the core values of BMV."

"At BMV," Mr. Olive said, "we are concerned about drivers' safety and rights as motor vehicle consumers."

Mr. Olive also used the occasion to remind consumers of an advisory issued by the National Highway Traffic and Safety Administration (NHTSA), urging motorists not to drive certain models of vehicles – 2001-2002 Honda Civic, 2001-2001 Honda Accord, 2002-2003 Acura TL, 2002 Honda CR-V, 2002 Honda Odyssey, 2003 Acura CL, 2003 Honda Pilot, certain 2006 Ford Rangers and certain 2006 Mazda B Series – unless they are going straight to a dealer to have them repaired immediately.

Mr. Olive urged residents to call or visit BMV for more information.

Mr. Carrington, whose office worked with Mr. Walker to recover the \$1.5 million, said he will continue to collaborate in this venture. He, too, advised consumers to find out whether or not their vehicles have been recalled.

"If not yet done, consumers should contact their dealer as soon as possible to make an appointment to get their car fixed for free," Mr. Carrington said.

There are still many vehicles in the Virgin Islands equipped with Takata's dangerous airbags. Airbags are one of the most critical safety devices in a car; however, the attorney general alleged that Takata airbags exposed a car's occupants to serious dangers. More than 200 Takata airbags have exploded violently, sending shrapnel throughout the vehicles and causing severe injuries and more than 20 deaths worldwide. A Virgin Islands resident was gravely injured when her Takata airbag ruptured while she was driving with her children in her car on St. Croix.

Residents of the Virgin Islands are particularly at risk from Takata airbags. High temperatures and high humidity can accelerate the breakdown of the chemical propellant used in Takata airbags and cause them to explode. For that reason, the National Highway Transportation Safety Administration (NHTSA) has required automakers to prioritize the recall of affected vehicles in the Virgin Islands and other jurisdictions with high heat and high humidity.

Correction: May 14, 2018

Because of a text error, the title of this story stated that 2,500 Virgin Islanders will receive \$2,500 from the D.O.J.'s settlement with Takata Corporation. Each of the 2,500 Virgin Islanders will receive a \$200 check from the D.O.J. The story has been updated to reflect the correct information.

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