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## V.I. Government Gives Itself 50 New Honda Vehicles and \$1 Million in Cash for Defective Airbag Settlement; Residents Affected Get Nothing

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Honda agreed to provide the Government of the U.S. Virgin Islands with 50 cars worth \$2.1 million as part of a settlement for the company's role in the lawsuit brought by the V.I. government on behalf of residents against Takata Corporation and its U.S. subsidiary, TK Holdings, Inc. The suit stemmed from 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. Honda also provided \$1 million in cash to the government as part of the settlement.

That's according to V.I. Dept. of Justice Attorney General Denise George, who issued a release [following the Consortium's story](#) bringing to the fore brand new Honda vehicles being utilized by

the government. The G.V.I. and U.S. governments have traditionally purchased vehicles from American companies Ford and Chevrolet, so the sighting of the Hondas, among them Acura MDX vehicles whose cost [range from \\$44,500 to \\$61,750](#), alarmed residents.

The suit was brought against the companies during the tenure of former Attorney General Claude Walker during the Mapp administration. But while the GVI gets brand new, expensive cars worth \$2.1 million along with \$1 million in cash from Honda, Virgin Islanders who were affected by the defective airbags — roughly 2,500 residents — have received nothing from the latest round of payments.

Roughly 2,500 residents [had previously received \\$200 each](#) under the Mapp administration during Attorney General Claude Walker's tenure. The payments, which totaled \$500,000, were part of the \$1.5 million original settlement with Takata Corporation and its U.S. subsidiary, TK Holdings, Inc. Mr. Walker stated at the time that the remaining \$1 million would be sent to the Department of Finance to be used for other priorities by the Mapp administration.

Mr. Walker had also stated that the GVI would pursue individual lawsuits against all the companies involved. "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 then. "I cannot emphasize enough that the longer that some of these vehicles stay on the road, the more dangerous they become."

The Honda settlement was part of the individual pursuit and not the original class-action lawsuit brought against Takata Corporation and its U.S. subsidiary, TK Holdings, Inc. on behalf of Virgin Islanders in 2016.

In the release, Ms. George said she was involved in finalizing the Honda agreement with the GVI, in what she thought was a win for the government. "Although the terms of the settlement were substantially negotiated before I came on board as Attorney General, I am pleased to have finalized what I deem to be a great settlement for the GVI in this government enforcement lawsuit," she said. "The receipt of these vehicles at no cost to the government will help to satisfy agency vehicle needs through replacing or building the fleet without the associated purchase price while saving on the costs of maintaining the older existing vehicles. Overall, the entire settlement proceeds will provide much-needed funds for criminal, white-collar and consumer investigations, prosecutions, and litigation support."

Ms. George said nothing relative to providing financial reward from the \$1 million to Virgin Islanders affected by the defective airbags.

According to Ms. George, Honda agreed to provide the Virgin Islands approximately 50 new Honda vehicles valued at over \$2.1 million in addition to a payment of over \$1 million to the Virgin Islands Government as part of the civil CICO enforcement and consumer protection lawsuit against Honda and Takata. The first set of vehicles recently arrived in the V.I. and the delivery of the remaining vehicles is still in progress, said Ms. George, which corroborates what Dept. of Property and Procurement Commissioner, Anthony Thomas, [told the Consortium Monday](#). Vehicles have been assigned so far to the Department of Justice, as well as the Division of Licensing and Consumer Affairs and the Bureau of Motor Vehicles, both of which assisted in the lawsuit, said the D.O.J. Vehicles were also assigned to the Inspector General's Office enforcement section.

Mr. Thomas had said the settlement mandates that the government receive only Honda-made vehicles. "It was a financial settlement wherein they settled it by the use of cars, and their cars were Hondas," Mr. Thomas said. "The Dept. of Justice was the one that was engaged in the suit."

Asked why would a settlement mandate that the injured party only purchase vehicles from Honda, which was one of the main brands with the faulty airbags, Mr. Thomas said, "I cannot answer the second question."

Ms. George's release, however, indicates that the government negotiated the terms with Honda, which both parties agreed to. In essence, the GVI was not obligated to get Honda vehicles, Ms. George's statement suggests. Instead, the government came to an agreement with Honda to accept the vehicles worth \$2.1 million, along with \$1 million in cash, in lieu of an all-cash settlement.

What remains unanswered is why did the government settle for the Honda vehicles and not an all-cash agreement. And why haven't Virgin Islanders affected by the defective airbags been notified of the \$1 million in cash to receive additional financial benefit.

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, and Mr. Walker has 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.

Virgin Islands residents are particularly at risk from Takata airbags because of the high temperatures and high humidity in the islands' tropical climate that can accelerate the breakdown of the chemical propellant used in Takata airbags — causing them to explode. For this reason, the National Highway Transportation Safety Administration has required automakers to prioritize the recall of affected vehicles in the Virgin Islands and other jurisdictions with high heat and high humidity.

The VI government brought filed the original suit in 2016.