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G.M. 'Bullied' Manufacturer Over Poorly Designed Part, Email Says

By **BILL VLASIC** NOV. 21, 2014

DETROIT — General Motors pressured a supplier to continue producing a substandard ignition switch a decade ago and leaned on the company to improve it even though it could not be fixed, a newly disclosed email shows.

The switch, made by Delphi, has become the focus of a safety crisis at G.M. and is linked to at least 33 deaths and dozens of injuries.

In the email, part of internal Delphi correspondence in 2005, a Delphi official said the company was pressured by G.M. to make the faulty switch work even though it did not meet G.M.'s own standard and continued to fail in testing.

It is the first publicly disclosed document showing Delphi's longstanding concerns with the switch, and it demonstrates how G.M. pushed Delphi to continue to manufacture a faulty part. The email, which was reviewed by The New York Times, was introduced as evidence in a sweeping collection of lawsuits against G.M. and was made public on Friday.

A Delphi official, Thomas Svoboda, wrote in the email that Delphi was intimidated by a G.M. engineer, Raymond DeGiorgio, into accepting the switch's design.

The switch, Mr. Svoboda wrote, "was never able to cut it," despite Mr. DeGiorgio's demands that the underperforming part be changed to meet stricter electrical requirements, referred to in the email as "2A."

“This is why we should never allow ourselves to be bullied into agreeing to say we will survive Ray’s 2A requirements, until we have a design that will do so,” Mr. Svoboda wrote in the email, which was dated Aug. 26, 2005. He also alluded to pressure on Mr. DeGiorgio from within G.M. to improve the switch.

During the summer of 2005, two G.M. committees were pushing for a solution to the problem after the automaker received reports of the switch failing in consumers’ cars, during media reviews and even when G.M. employees were driving the cars on the company’s test track. The switch, if bumped, can turn off, shutting down the engine and disabling key systems like power steering and airbags.

Mr. Svoboda, a Delphi customer specialist assigned to the switch, was unusually blunt in describing Mr. DeGiorgio’s efforts to upgrade the switch until it met the requirements.

“Every time Ray demands 2A to cover his butt for whatever another G.M. group decides (in a vacuum) to use our switch for, we should say no thank you, take the business elsewhere,” he wrote. G.M. is one of Delphi’s biggest customers.

The email emerged as part of the discovery process in a multidistrict litigation case against G.M. that involves more than 100 lawsuits bundled together in federal court in New York.

One of the lawyers representing accident victims, Robert Hilliard, said that the email revealed G.M.’s internal culture at the time. “G.M. intimidated its suppliers, as is made clear by the tone of these emails,” he said.

Mr. Svoboda could not be reached for comment, nor could the email’s recipient, a Delphi official named John Coniff. Delphi declined to comment on the email, noting that it was part of pending litigation.

A spokesman for General Motors, James R. Cain, said in a statement: “The documents seem to indicate another instance where Ray DeGiorgio did not follow proper engineering procedures.”

A lawyer for Mr. DeGiorgio declined to comment.

The email shows that one problem with the switch was the level of its

electrical current, and that Mr. Svoboda had urged more stringent testing standards when G.M. originally contracted Delphi to produce the part in 2001. Most of the attention on the switch this year has focused on a different problem: the low force, or torque, required to turn the switch on and off.

“I want it to be known that at the start of the program I insisted that the product be tested at 265 application current levels, not 2A,” Mr. Svoboda wrote, referring to a more stringent testing standard. “Everyone agreed to 2A without a whimper.”

But, he added, that even the lower standard could not be met. “Obviously we never had a 2A Delta design,” he wrote.

The email offers another glimpse into the often frantic attempts by G.M. to grapple with the consequences of using what proved to be a defective part in Chevrolet Cobalts, Saturn Ions and other small cars.

Documents turned over to House investigators this year, as well as information revealed in G.M.'s internal investigation into the switch, had already shown that a number of G.M. employees had been involved in efforts to fix the switch from the time it went into production.

At least three internal inquiries had been opened into stalling problems with the cars by the time Mr. Svoboda's email was written. G.M.'s legal department was also aware of the issue, particularly after media reviews of the Cobalt said the car could stall if the ignition key was bumped.

Mr. DeGiorgio, who approved the switch's design in 2001, was at the center of the efforts to fix it.

He had multiple exchanges with Delphi officials to modify the switch between 2001 and 2005, documents show. He also was informed of warranty claims about the switch and stalling problems during test drives. He eventually fixed the switch in 2006 but did not change the part number, which stymied G.M.'s efforts to trace the problem for years.

In a recent interview, Mr. DeGiorgio denied any wrongdoing and deflected responsibility for the faulty switch. “I did my job the best I could,” he said.

He was among 15 employees dismissed by G.M. in June after an

internal investigation by the former federal prosecutor Anton Valukas found a pattern of neglect and incompetence in the company's handling of the defect.

Matthew L. Wald contributed reporting from New York.

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