



W U

MILLESTONES

DIED, JOHN HOJAHAN, 83, philanthropist, great-grandfather and creator of Lucky Chums; in a car accident that also killed his wife Rosebud, 84; while on their honeymoon 51-year-old who was dying of liver cancer in 1983. Hojahan often told his children he hated his "magnificent" 1969 Buick Wildcat. He had a 1969 Buick Wildcat. He had a 1969 Buick Wildcat. He had a 1969 Buick Wildcat.

ANTHONY ("TONY") CORALLO, 87, last of the old-time Mafia dons in prison while serving a 100-year sentence for racketeering. He was born in 1900. He was born in 1900. He was born in 1900.

N A T I O N

# ANATOMY OF A RECALL

**How a small-town lawsuit in Texas cascaded into the biggest consumer panic since the Tylenol scare, plaguing Firestone and Ford with allegations of factory flaws and design errors**

By DANIEL EISENBERG

**W**HEN **RANDY ROBERTS** FIRST TOOK THE CASE, HE KNEW THE ODDS of embarking on yet another battle against a corporate Goliath. A small-town lawyer from East Texas, **Roberts** was representing the parents of a 14-year-old girl, Jessica LeAnn Taylor, a junior high school cheerleader who died in a car accident Oct. 16, 1998, on the way to a homecoming football game outside her hometown of Mexia, Texas. A friend of Taylor's mother was driving that day, and as the tread on the left-rear Firestone ATX tire allegedly peeled off like a banana, the Ford Explorer SUV veered left and rolled over.

As most tire companies have successfully done in court over the years, Firestone ruled out a problem with the tires from the start. It also fought hard to keep its consumer-complaints data and lawsuits private, saying it knew of only one accident very similar to Taylor's. But **Roberts** wasn't buying that. On Nov. 22, 1999, he secured a crucial victory. In a dramatic ruling, state judge Sam Bournias ordered Firestone to hand over any complaints and other lawsuits, as well as employee depo-



**TIRE PRESSURE** Ford CEO Jacques Nasser trying to contain the fallout at a press conference; a warehouse full of recalled Firestones, left

LEFT: DAN HABIB—CONCORD MONITOR;  
SABA, INSET: CARLOS OSORIO—AP

sitions from those lawsuits, concerning its ATX and Wilderness tires nationwide. In addition, he permitted **Roberts** to share the information with lawyers involved in similar legal battles. Though other attorneys, notably Bruce Kaster of Ocala, Fla., and Tab Turner of Little Rock, Ark., had been suing Firestone over the same issue for much of the decade, it was **Roberts** who got the first indication of the scope of the potential defect. According to him, there had been more than 1,100 incident reports and 57 lawsuits by February of this year. It took a while to grab all the spoils—Firestone incurred a fine of roughly \$9,000 before handing over the testimony of some of its managers on June 22. “I was ecstatic. I could prove there was a serious problem,” says **Roberts**. “Otherwise, all I had was a dead teenager.” A trial date has not yet been set.

Meanwhile, until February of this year, the National Highway Traffic Safety Administration (NHTSA) had received fewer than 50 complaints, compiled over the better part of a decade, about the suspect tires, in addition to tips from State Farm that it was seeing an unusually high number of insurance claims for the models. (This year, according to a State Farm document examined by **TIME**, the number of cases has been even higher, with 12 appearing in the first four months alone.) In March, though, 30 to 40 more complaints flooded in after a report on tread-separation accidents aired on Houston TV station KHOU.

That piqued the agency’s interest. On April 4, officials there contacted **Roberts**. Most product-liability attorneys preferred not to get involved with NHTSA. Once a fierce enforcer of auto safety (it instigated a massive 1978 recall against Firestone), it had become just another underfunded government regulator with little power to police or penalize.



**A SPARK** Jim and Kathy Taylor’s daughter Jessica died in a 1998 SUV accident. Their suit against Firestone, led by lawyer Randy Roberts, background, helped uncover the problem

Lawyers feared the agency would come up with a whitewash that companies would use in their defense. But **Roberts**, spurred on by the dead girl’s parents, decided to help NHTSA do its job. Through an official, he let the agency know about his discovery, helping galvanize what would become the second largest tire recall in U.S. history, covering Firestone’s 15-in. Radial ATX, ATX II and certain Wilderness models. “Once the cat gets out of the bag,” says one of **Roberts’** fellow attorneys, “it’s hard to put it back in.”

Barely a day goes by that its sharp claws

don’t leave a nasty mark. Frightened by the news, Americans by the hundreds of thousands have put themselves on waiting lists for tire replacements. Auto-repair shops have had to field countless calls from panicked customers clamoring to have their tires checked, worried about every tiny shred, every tear on the tread. Nothing last week allayed those fears. On Thursday NHTSA raised to 88 the total deaths attributed to the defective tires and the number of injuries to 250. Meanwhile, Firestone’s voluntary recall has so far replaced only close to 2 million of the

## THE BIG BLOWOUT 1989

First memos in the future tire-pressure controversy appear at Ford



**1990** Ford’s **Explorer** is launched, quickly becoming the U.S.’s top SUV

**1991** Ford makes Firestone’s Wilderness tires available on the Explorer

**1992** First lawsuits are filed against Firestone involving tires on the Ford Explorer

**1994** **Strike** at Bridgestone/Firestone. The plant in Decatur, Ill.—later known as the war zone—is especially hard hit



**1996** **Strike ends.** Workers from the Bridgestone/Firestone plant in Decatur later testify that several aspects of the process inside the plant have changed

**1998** First reports of tire failure crop up in the press in Saudi Arabia

**1999** In July, Ford approves a tire recall in Saudi Arabia

6.5 million defective tires that it believes are out there. There may be more. Just as Americans started their Labor Day weekend getaways, NHTSA warned that an additional 1.4 million Firestone tires—manufactured primarily at the Decatur, Ill., plant, where most of the recalled tires were made—may be even more susceptible to the same kind of deadly tread separation. Most of the tires were sold as replacements for some Ford, Chevy and Nissan SUVs, though many were probably scrapped a long time ago.

The seemingly endless spell of bad news is creating a wider and wider gulf between Ford and Firestone. "This is a tire issue, not a vehicle issue," Ford CEO Jacques Nasser stressed last week, distancing himself from the company's partner for nearly a century. But Firestone, while loath to alienate such a valuable customer, says the lower level of air pressure Ford recommended for the tires—26 PSI, compared with Firestone's suggested 30 PSI—may have contributed to the trouble. Ford has decided to end its exclusive contract with Firestone and use an additional tire supplier, Michelin, for the 2002 Explorer models due out next year. "This has been an extremely difficult and disappointing time in our relationship," Nasser said. "We're going to evaluate it a day at a time."

Nasser, who was initially wary of getting caught up in an election-year circus, has decided to attend congressional hearings set for this week. He has promised to release all company documents showing what Ford knew and when it knew it; his counterpart at Bridgestone/Firestone, CEO Masatoshi Ono, will also be there. Both are sure to incur the wrath of politicians fed up with what they view as stonewalling. "This whole thing stinks," said Representative Billy Tauzin, the Louisiana Republican who is chairman of the House Commerce Subcommittee on Consumer Protection. "You can't tell me someone at Firestone or Ford didn't know they had serious problems with these tires long before the body count started to rise."

By the spring of 1999, according to plaintiff attorneys, Firestone had already logged 800 customer complaints of tread separation on its ATX and Wilderness tires, though as a percentage of roughly 12 million tires on the road, the incidents didn't raise eyebrows. Congressional investigators, informed sources say, have connected 14 deaths in Saudi Arabia and surrounding gulf states to some of the tires Ford quietly replaced there in the summer of 1999. The company says it knows of no such deaths. Firestone says it wasn't aware of a noticeable rise in claims for tires coming out of its Decatur plant until Ford did a sophisticated computer analysis in late July. However, according to testimony given by one of its former em-

different layers are bonded together under intense heat—from 26 to 16 minutes. Firestone did not return calls for comment.

With each company pointing the finger at the other, however, it's increasingly difficult to get straight answers. Last week Ford admitted it had heard of tread-separation incidents with locally made Firestone Wilderness tires in Venezuela, as well as in Colombia and Ecuador, as far back as the fall of 1998, a year and a half before the company started replacing them on some 30,000 vehicles in the region. It blamed Firestone's misleading diagnosis of the problem for the delay in finding the defect. Firestone says it simply mislabeled some tires as having an extra, protective nylon strip (see box) but built them according to Ford's specifications. On Thursday the Venezuelan consumer-protection agency recommended bringing criminal charges against both companies for a cover-up that the agency says has led to 46 deaths. It also asked Firestone to recall all its Wilderness tires in Latin America. The company has so far resisted.

Strident denials are the order of the day for both Firestone and Ford. But no matter how fervently

**"You can't tell me someone at Firestone or Ford didn't know they had serious problems... long before the body count started to rise."**

—BILLY TAUZIN, House Commerce subcommittee chairman

they argue that there was no recognizable pattern of problems with Firestone's tires in the U.S. before the recall, many critics believe that there were more than enough troubling incidents to have raised red flags long before so many lost their lives.

From the moment that Ford began designing the Explorer in the late '80s, the company had concerns about the appropriate level of tire pressure for the vehicle. Internal documents from 1989, leaked to the media two weeks ago, show that company engineers, instead of making more substantial improvements to the SUV's stability, advised inflating tires to less than the maximum level to decrease the chance of a rollover, even though underinflated tires can in turn increase the risk of tread separation. Ford vehemently rejects the notion that tire pressure played any role, pointing

ly they argue that there was no recognizable pattern of problems with Firestone's tires in the U.S. before the recall, many critics believe that there were more than enough troubling incidents to have raised red flags long before so many lost their lives.

Also disturbing is the fact that one of the most important parts of the tire-making process may have been compromised at the Decatur plant. Ex-employees, dismissed by Firestone as disgruntled, have recently testified in court that the facility was suffering from various quality-control problems in the mid-'90s. A former production worker there tells TIME that around 1993 supervisors implemented a policy that shortened the time spent curing, or cooking, the tires—when the

## 2000

**FEBRUARY** Ford recalls tires in Thailand, Malaysia; it persuades Firestone to launch a study of why the failure is occurring. First TV reports of tire failure in Houston

**MAY** NHTSA notifies Firestone that it is opening an investigation into the tire failures. Ford recalls tires on some 30,000 Explorers in **Venezuela**, Ecuador and Colombia



**JULY** Firestone and Ford launch new analysis of warranty data  
**AUG. 9** Firestone recalls 6.5 million tires  
**AUG. 28** Ford CEO Jacques Nasser produces televised apology

**AUG. 31** NHTSA labels 1.4 million more tires defective; raises fatalities to 88, injuries to 250  
**SEPT. 1** Venezuela launches a criminal probe into an alleged cover-up by both companies



## SAFETY FEATURES

## So, Do You Need a Nylon Cap?

Remember when Congress abandoned the 55-m.p.h. speed limit a few years ago? That may have helped pave the way for this wave of fatal blowouts.

Back in the 1970s, when the 55-m.p.h. speed limit was established, U.S. tiremakers were introducing steel-belted radials—now standard on most American cars, including the Ford Explorers. Even in the '70s the fatal consequences of tread separation were well known. And so were a number of remedies, including the use of nylon caps that form a tourniquet around the belts and rubber to hold them together. Nylon caps are widespread in Europe and other parts of the world, but with U.S. speed limits set low, most experts believed they weren't necessary in America.

In the mid-'90s, when Congress allowed the speed limit to go back up, the stress on tires rose dramatically. Even so, manufacturers insisted that nylon caps produced a more rigid tire with a rougher ride and argued that except for tires subjected to speeds of 110 m.p.h. or more, the synthetic overlays were not needed. Hence most major-brand tires used in the U.S. today lack nylon caps.

But did the manufacturers know the risks of not using the caps? A series of tests were carried out in 1997, 1998 and 1999 by Standard Testing Laboratories, which performs numerous tests for the

industry. One popped up in a California trial that ended in June with a jury's awarding \$15 million to a man who demonstrated that the tread of his Dunlop tire had collapsed in part because the company did not design a nylon cap into the tire. He is now a quadriplegic; the case is on appeal. According to plaintiffs' lawyers and experts, the STL studies document on video what happens to major-brand-name radials as their

inflation is reduced: none of the tires suffer fatal tread separation if they have nylon caps. Last week Ford urged Firestone to recall its Wilderness AT tires in Venezuela because they lacked the caps.

Firestone engineers advocated the use of nylon caps in the '70s to head off the infamous tread-separation scandal on Firestone 500 radials. In this

latest scandal, however, Firestone's replacement tires in the U.S. do not have nylon caps, except for a few Bridgestones shipped in from the parent company in Japan. Firestone argues that its tire problems are specific to one factory and not a matter of technology. Bridgestone, however, does sell the nylon cap Dueler for SUVs in the U.S. Like other nylon-fitted tires, they are higher-grade and cost \$103 each, compared with just about \$70 for a Firestone Wilderness.

—By Adam Zagorin.

With reporting by Mike Eskenazi



Source: Milner & Associates

out that similar Goodyear tires on its Explorer SUVs had virtually none of the same problems and that Explorers as a whole have a better safety record than similar-size SUVs and passenger cars. Documents supplied by trial lawyers, Ford notes, are invariably taken out of context.

As the Explorer quickly became the most popular SUV of all time—and a major cash cow for both Ford and Firestone—a number of lawsuits concerning the Firestone tires were filed, the first in 1992. But Ford and Firestone, like most companies in today's superlitigious society, tend to assume that the bulk of legal actions are frivolous. "We're going to be second-guessed

about this forever. But based on the number of vehicles in service, the number of incidents was statistically insignificant," says Ken Zino, one of Nasser's senior advisers. "We get sued every day. A lawsuit by itself isn't considered a signal of any kind."

By the mid-'90s, though, there were other signals that should perhaps have caught Ford's attention. As Firestone struggled to keep up with the insatiable appetite for Explorers, labor strife was brewing at its Decatur plant—dubbed the war zone by activists. A bitter 10-month walkout in 1994-95 left the assembly lines in the hands of unskilled replacement workers, who had few veterans to train under, and the labor

dispute wasn't finally resolved until 1996. When the strike was settled, many of the old hands did not return to their jobs, and Firestone's Japanese parent, Bridgestone, shifted supervisors around and instituted a 12-hr. workday. It was around this time, according to the depositions given by former employees at the plant, that quality was sacrificed for quantity. Inspections, they charged, lasted as little as 10 sec.; solvent was rubbed on outdated and dried-out rubber to make it sticky. Firestone insists that quality control at all its plants is rigorous. Union officials, worried about their members being made scapegoats for a design defect, have defended their work and forged an unusual alliance with management on this point.

Lawyers and safety advocates think the focus on Decatur is a red herring that would isolate the problem and limit the companies' potential liability. If it was a manufacturing problem, safety advocates ask, why didn't any of the other 50 or so lines of tires made at the plant fail? They may have a point. A former employee at the company's plant in Wilson, N.C., also described by Firestone as disgruntled, has testified to similar quality-control issues at that facility.

Ford and Firestone attribute incidents in the Middle East and Latin America largely to local driving conditions such as bad roads, hot climates and under- or over-inflated tires. Critics see these arguments as disingenuous, if not offensive. According to an internal Ford memo dated Oct. 1, 1999, reviewed by TIME, at least part of the reason some of the Wilderness tires were failing in the gulf region was that the company had decided to use the North American-made tires even though Firestone had warned that they were "not meant" for the rugged terrain. Ford says it knows of no such document. Thanks to NHTSA's lax reporting requirements, the companies weren't legally required to inform the agency of any problems overseas.

Many tire experts think that long after the blame game has cooled down, Ford and Firestone will discover there was no single defect but a combination of factors that may have led to the failures. "You've got a vehicle with marginal stability and a tire that is marginal," says Dick Baumgardner, a former Firestone engineer who now examines tire accidents for legal cases. "Put them together, and you've got a disaster." Pull them apart, and in addition to the human toll, you've got all the makings of a nasty corporate pileup. —Reported by Michael Weisskopf/Washington, Joseph R. Szczesny/Detroit and Mike Eskenazi and Carole Buia/New York