

Sludged

Expensive oil sludge becomes public relations headache for Chrysler, other automakers

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Bob Meissner is furious. With barely 20,000 miles on his wife's 2002 Chrysler Sebring convertible, Meissner was told that the car's engine was caked with oil sludge. In short, it couldn't be driven.

His Chrysler dealer told him it would cost \$6,100 to replace the engine. And, no, oil sludge wasn't covered under the warranty.

Meissner said that when he appealed to Chrysler group headquarters, he was told he was driving in extreme conditions and should have changed the oil nine times since purchase, not the three times his owner's manual suggested. Case closed.

"We have to get it fixed. We have 2½ years of \$400-a-month payments on a car without an engine," said Meissner, a 49-year-old salesman from Westerville, Ohio. "I guess I have to wait for a class-action suit to get any sort of resolution. I'm telling everyone I know how badly Chrysler treated me."

Nightmare

Sludge is turning into a customer-relations headache for some automakers. What had been a setback for Toyota Motor Sales U.S.A. Inc. a couple of years ago is creeping into the service drives of several other carmakers. The Chrysler group, Volkswagen of America and Saab Cars USA Inc. also are facing the sludge problem.

It's impossible to know how many sludge complaints have been made. Reporting is imprecise, and automakers in many cases aren't eager to provide details.

Some sludge sufferers complain both to automakers and government officials, so there are duplicate complaints. And some general engine complaints likely are related to sludge problems.

A good guess, based on interviews with automakers and government agencies, is 5,000 to 10,000. Sludge is gelled oil that fails to lubricate engine parts. It can lead to damage, often requiring a new engine.

The number of sludged engines will escalate as vehicles age, engineers and mechanics say.

It can cost as much as \$12,000 to replace an engine, sometimes more than the car is worth. Automakers don't want to eat the cost unnecessarily. So they inspect claims very carefully, which often makes them look like Scrooge to owners.

Some auto companies blame customers who fail to change their oil frequently enough. The automakers say they are protecting themselves from customers who abuse their vehicles, frequently lessees and rental fleet owners.

But consumer advocates complain that automakers are not taking their share of the blame. If it were simply a matter of poor maintenance, all engines would be failing, not specific engine families from certain manufacturers. (See information box on next page.)

"Oil sludge is our No. 1 priority this year," said Clarence Ditlow, executive director of the Center for Auto Safety in Washington, D.C. "It's a big-ticket item with a high failure rate."

How many?

Manufacturers are touchy about giving exact numbers of sludge complaints they have received.

Toyota said it had received 3,400 complaints before it extended its vehicle warranty to eight years and unlimited miles on 3.3 million at-risk vehicles in 2002. The company will not give an updated number.

A Chrysler group spokesman said the company has received "fewer than 400" sludge complaints about 2.7-liter V-6 engine, which was produced from 1998 to 2002.

But the Center for Auto Safety has logged more than 700 calls for help since January 2004 from Chrysler sludge complainants, and Ditlow is petitioning NHTSA to order a recall of the Chrysler engines.

Several Web sites also show hundreds of complaints about the 2.7-liter V-6 engine.

Chrysler says many of the complaints are duplicates, don't have vehicle identification numbers that match the complainant's name, or simply have "bad data."

"We can help or review cases of those who come to us directly, or if we are provided data to find the customer," says Chrysler group spokesman Sam Locricchio. "If we don't have records, we can't begin to help."

Dealers also are reluctant to talk about sludge for fear of angering the manufacturer. When queried about sludge, one Chrysler dealer in the Northeast

snorted, "Don't ask."

The dealer said he had one or two sludge repairs every month, but added that he was a small dealer with a slow service department. Chrysler and Dodge have about 5,800 total franchises in the United States.

The National Highway Traffic Safety Administration has received 185 complaints specifically regarding engine oil sludge.

But sludge complaints also can be categorized under the broader category "engine stalls or stops," which have "many, many more" entries, says NHTSA spokeswoman Liz Neblitt.

Rami Amaro, a lawyer in Coeur d'Alene, Idaho, said she has talked to "literally thousands" of consumers with engine sludge problems.

Amaro, whose 1998 Toyota Sienna croaked because of sludge, is attempting to get a class-action lawsuit organized against Toyota - despite the automaker's decision to extend its warranty.

Meanwhile, Internet chat rooms are ablaze about claim denials by automakers.

36 miles too far

One sludge sufferer said his claim was nixed because he changed his oil 36 miles beyond the stated interval.

Another claimant said he was accused of deliberately dumping debris in his engine to create the sludge.

Several Internet respondents said they unloaded their cars when given the bad news by mechanics, leaving the new owners in the dark about the problem.

Many customers say they were turned down because not all oil changes were performed by a franchised new-car dealer. Such a requirement is illegal under federal law, the Center for Auto Safety's Ditlow says.

Some sludge victims have resorted to more intriguing methods to get satisfaction.

After fighting Toyota for six months about a sludged 2003 Corolla with 26,000 miles, Mazie Passeri vowed to picket the local dealership and drive the car with the words "Toyota Sludgemobile" painted on it.

Within days, the claim to rebuild the engine was authorized.

"I will never buy another Toyota," says Passeri, of Jacksonville, Fla. "The funny thing is, the car trouble itself never shook my confidence in Toyota. It was

Toyota's poor customer service and their unwillingness to accept responsibility and make things right that did it."

Slipping through cracks

Automakers are quick to defend their record of addressing legitimate sludge claims.

Dave Camden, vice president of dealer operations for Toyota Customer Services, admits that some claims have been "mishandled" and that others "slip through the cracks."

"Our full intent is to take care of our customers," Camden says. "A turn-down is due to not making an attempt to reasonably maintain the vehicle."

To help prevent sludge, Toyota in 2003 shortened the recommended oil-change interval from 7,500 miles to 5,000 miles on its vehicles. It also has given lessees incentives to maintain their vehicles properly.

Saab in March extended the engine warranty to eight years for the engines it considers at risk.

Of the companies with significant numbers of sludge complaints, only Chrysler has refused to increase warranty protection or loosen the claim process.

Locricchio said that many of the sludged Dodge and Chrysler engines belong to owners who bought their cars used from a rental fleet. About half of the 2.7-liter engines were placed in rental fleet cars.

Meissner purchased his Sebring new.

DaimlerChrysler is attempting to funnel sludge complaints through mediator Impartial Services Group of Dallas. Two calls to Impartial Services' headquarters were not returned.

After a rash of customer complaints, Volkswagen of America in February loosened its policy for oil sludge claims. VW no longer requires a customer to have every oil change receipt or to follow the maintenance schedule exactly. Dealers have asked VW to install a process that does not require an area service representative to be involved.

"You can't nail people to the exact schedule," says Len Hunt, vice president of Volkswagen of America. "When we came out with it at first, we were a little too rigorous.

"When we hear of any inconsistencies of treatment, it strikes me with horror. But

you have to treat it case by case. You have to trust your dealer to be an arbitrator."

Communication breakdown

Consumer watchdog Ditlow

doesn't buy Hunt's explanation. He sees a communication breakdown among the manufacturer, regional service rep, dealer and customer. No one seems to be on the same page. Ditlow says he still gets complaints from Toyota owners who say their dealer still does not know about the extended sludge warranty.

"When consumers call auto company 800 numbers these days, they normally get shuttled back to the dealer," Ditlow says. "No complaint process is set up. It's intimidating and burdensome."

Communications from automakers also confuse matters. Many owners' manuals cite two different oil-change intervals, one for "normal" use and one for "extreme" use. The former is usually 7,500 miles, but can be as high as 10,000 miles. Extreme cycles can be as short as 3,000 miles.

But the manuals rarely give specific operating conditions for the cycles, keeping consumers guessing and letting the manufacturer off the hook.

Even for those whose sludge complaints have been resolved, there is dissatisfaction.

Brian McNeilly, a 39-year-old quality-assurance manager from Stanhope, N.J., spent seven weeks fighting with Volkswagen. His past service records for his oft-repaired 1999 Passat had used the license plate number instead of the VIN, and VW had voided the claim. Finally, VW reversed itself and paid to repair the engine.

Nonetheless, McNeilly is unhappy.

"The only reason that I was able to persevere on this issue was that I have a backup car. I can't imagine what I'd do if I were in dire need of this car and had to pay to fix it, and then look to get the money back later on," McNeilly says.

"Now that I have this car back, it's going to sit in my driveway until I can trade it in on something else."

Staff Reporter Jamie LaReau contributed to this report