

German prosecutors widen Volkswagen emissions probe

January 27 2017, by Frank Jordans And David Mchugh



In this Jan. 19, 2017 file picture Martin Winterkorn, former CEO of the German car manufacturer Volkswagen, arrives for a questioning at an investigation committee of the German federal parliament in Berlin, German. Prosecutors in Germany say Friday Jan. 27, 2017 they have sufficient evidence to indicate that former Volkswagen CEO Martin Winterkorn knew of his company's emissions cheating software earlier than he claims. (AP Photo/Michael Sohn,file)

Prosecutors in Germany said Friday they are expanding their probe into

Volkswagen's scandal over diesel cars that cheated on emissions tests.

As well as increasing the number of suspects, prosecutors said they have evidence former CEO Martin Winterkorn may have known of the cheating earlier than he has claimed.

The prosecutor's office in Braunschweig, near Volkswagen's Wolfsburg headquarters, also said Winterkorn was now being investigated on suspicion of fraud, beyond an earlier focus on a possible securities-market violation.

The announcement raises the legal stakes for the former head of Germany's largest automaker. The 69-year-old stepped down in September 2015, days after news emerged in the U.S. of Volkswagen's use of software that turned off emissions controls. He said at the time that he was not aware of any wrongdoing on his part.

He testified before a parliamentary committee last week that he first heard the term "defeat device," the technical name for the illegal software, in September 2015—even though U.S. authorities had been pressing Volkswagen for months over emissions test discrepancies and the cheating had been going for several years.



In this Sept. 17, 2015 file picture then Volkswagen CEO Martin Winterkorn waits prior a presentation at the IAA Frankfurt Auto Show in Frankfurt, Germany. Prosecutors in Germany say Friday Jan. 27, 2017 they have sufficient evidence to indicate that former Volkswagen CEO Martin Winterkorn knew of his company's emissions cheating software earlier than he claims. (AP Photo/Jens Meyer)

Prosecutors in Braunschweig said however that there were "sufficient factual indications" to conclude that Winterkorn "could have known of the manipulative software earlier than publicly asserted by him."

They said that their statement was based on questioning of witnesses and suspects as well as the evaluation of seized records.

Winterkorn's attorney did not immediately respond to an email seeking comment. Volkswagen said in a statement that "we are cooperating fully" with the authorities but declined further comment "in view of the ongoing investigations."

In a statement, prosecutors said they have increased the number of suspects in their investigation of VW from 21 to 37 persons and that 28 locations including offices and private homes had been searched in Germany this week. The searches were primarily in Wolfsburg, Braunschweig, and the north German town of Gifhorn.



In this Tuesday, Jan. 24, 2017, photo, Volkswagen vehicles are stored at the vacant Silverdome in Pontiac, Mich. The Volkswagen TDIs are in the center of the emissions scandal forcing Volkswagen to buy back those vehicles affected. (AP Photo/Carlos Osorio)

Winterkorn and others are now being investigated on allegations they committed fraud. In a June statement, prosecutors said Winterkorn was being investigated only for market manipulation for not making a timely disclosure of the possible financial consequences of the problem. German securities law requires timely and broad disclosure of information that could affect stock prices so investors can make informed decisions on whether to buy or sell.

Investors are seeking more than 8 billion euros (\$8.8 billion) in damages in civil suits in Braunschweig regional court.

U.S. prosecutors have separately charged seven former Volkswagen employees. The company agreed to plead guilty to defrauding the government and to pay \$4.3 billion in fines. It reached a \$15 billion civil settlement in the U.S. with environmental authorities and car owners.

The software enabled the car to detect when it was on the test stand and turn on emission controls, and then to turn them off during normal driving. Some 11 million cars worldwide were equipped with the software. The company has apologized and commissioned its own investigation through a law firm.

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