

VW ex-boss denies prior knowledge of pollution cheating

January 19 2017, by Christina Neuhaus



Former Volkswagen boss Martin Winterkorn (L) and VW manager Gerwin Postel pictured before taking their seats inside the Bundestag (Lower house of parliament) compound in Berlin, on January 19, 2017 where they face a grilling by German lawmakers

Former Volkswagen boss Martin Winterkorn said Thursday that he did not know the beleaguered German auto giant was engaging in systematic emissions cheating until shortly before the scam broke.

Winterkorn told a parliamentary committee investigating the "dieselgate" scandal that "total clarity was and is the order of the day", and that he was still trying to understand how the scandal could have happened.

The 69-year-old resigned in September 2015, days after the VW group admitted it had installed software in 11 million diesel vehicles worldwide to dupe emissions tests and make the cars seem less polluting than they were.

A fastidious perfectionist with the nickname "Mr Quality", Winterkorn had once boasted jokingly in an interview: "I know every screw in our cars."

But the former chief executive said he knew nothing of the pollution cheating scam until just before the scandal broke at the end of August, a point he reiterated Thursday.

German lawmakers are seeking to establish when the VW board was first informed of the cheating.

The issue has a particular bearing in Germany where investigators have placed Winterkorn under probe and are examining if fraud was committed in the sales of vehicles with manipulated emission values.

In addition, prosecutors are investigating if management divulged existence of the scandal later than they were legally obliged to under stock market rules, thereby essentially manipulating stock prices.

'Authorised concealment'

US investigators have turned up the heat on Volkswagen in recent weeks, revealing that they believe VW top brass were aware of the cheating as far back as July 2015.

Their timeline appeared to square with that claimed in German media reports.

But asked directly if the media reports were true, Winterkorn said: "That is not the case."

According to the FBI, Schmidt and other Volkswagen employees in July 2015 briefed senior executives at its German headquarters of the defeat device, saying regulators were not aware of the mechanism.



Former Volkswagen boss Martin Winterkorn (C) leaves the Bundestag (Lower house of parliament) compound in Berlin on January 19, 2017 where he faced a parliamentary committee investigating the "dieselgate" scandal

"Rather than advocate for disclosure of the defeat device to US regulators, VW executive management authorised its continued concealment," the FBI said.

Volkswagen has agreed to plead guilty to conspiracy to defraud the United States as well as to obstruction of justice for destroying documents related to the scheme.

As part of the deal, it has also agreed to pay \$4.3 billion (four billion euros) in civil and criminal fines.

But according to the final settlement running to 86 pages, the group does not clarify who holds responsibility within the company for the scandal.

More than 1,400 shareholders are also suing in Germany for damages worth a total 8 billion euros after the announcement of the scam wiped out some 40 percent of VW's market capitalisation in days.

The still incalculable costs of the affair—including regulatory fines and legal costs—pushed VW into the red for the first time in more than 20 years in 2015 when it booked a loss of 1.6 billion euros due to the provisions it was forced to set aside.

'Something illegal'

The group has not budged on its timeline of events—saying that top management was informed about the scandal only at "the end of August, early September 2015".

But on Sunday, German daily Bild said that during a meeting organised by VW management on July 27, 2015 and attended by Winterkorn, a participant raised "the fact that something illegal had been installed in our vehicles".

The participant then asked what strategy the group should adopt vis-a-vis the information, reported the daily.

Meanwhile, Sueddeutsche Zeitung and regional broadcasters WDR and NDR reported that two witnesses had told US authorities that they had raised the issue directly with Winterkorn as early as 2012 and 2014.

The parliamentary committee is also trying to determine whether government officials knew about the [scandal](#) before it became public knowledge.

Vice-Chancellor Sigmar Gabriel has already appeared before the panel, while Chancellor Angela Merkel is to be questioned on March 8.

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