

# 'Dieselgate' fallout leads to score-settling at Volkswagen

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Volkswagen's "dieselgate" crisis turned personal this week

Volkswagen's "dieselgate" crisis turned personal this week, as the German auto giant's patriarch and ex-boss Ferdinand Piech implicated his successors in the cheating scandal.

The rift was laid bare after the Wolfsburg-based firm's supervisory board issued a statement late Wednesday to dispute Piech's claims that

board members knew about the diesel emissions cheating sooner than they have so far admitted.

The [board members](#) targeted in Piech's allegations "rejected them as false, independently from one another," the statement read.

An internal investigation had examined Piech's claims last year and found no evidence, the firm added.

According to German tabloid Bild, Piech has told prosecutors in the German city of Brunswick that he heard rumours about the fraud in February 2015, while he was still chairman of the supervisory board.

He reportedly put the allegations to then-chief executive Martin Winterkorn, who denied them, and to some members of the board.

The allegations have explosive potential as so far VW has always denied that senior management knew of the cheating before it became public knowledge in September 2015.

The company's admission at the time that it had installed in 11 million diesel engines worldwide software designed to dupe pollution tests triggered a share sell-off and a deep crisis at the carmaker.



Ferdinand Piech has implicated his successors in the "Dieselgate" scandal

Prosecutors have told AFP that no one who sat on the supervisory board at the time of Piech's allegations is under investigation, but would not comment on the witnesses they had interviewed or their testimony.

"Piech is clearly trying to settle scores," a VW source who asked not to be identified told AFP.

## 'Fake news'

As the grandson of the inventor of the VW Beetle, former chief executive and a member of the Porsche-Piech clan that owns much of the group, 79-year-old Piech was long a fixture at VW.

But a confrontation with Winterkorn, his former protege, cost him his place at the head of the [supervisory board](#) in April 2015.

"There might be a connection there" to Piech's latest allegations, said Stephan Weil, the minister-president of the carmaker's home state of Lower Saxony, which is a major VW shareholder.

"It's regrettable that a man with indisputable merits like Ferdinand Piech is now resorting to tactics that can only be described as 'fake news'," Weil was quoted as saying by German news agency DPA on Thursday.



Martin Winterkorn denies he had early knowledge of the emissions cheating scandal

The cause of Piech and Winterkorn's falling-out—after years in which they worked hand-in-glove—has so far remained a mystery.

## **High stakes**

VW has already agreed to pay out more than \$22 billion to customers, dealers and authorities in the US to settle claims related to the emissions scam.

But if Piech's [allegations](#) turn out to be true, the bill could become even weightier, Bratzel noted, making him "very dangerous" for the firm.

Investors who suffered losses when 'dieselgate' became public are demanding billions of euros in damages from the group, saying it failed to inform them in time.

Meanwhile, investigators in the US and Germany are still trying to determine who was responsible.

Winterkorn—who stepped down days after the dieselgate scandal broke—is already under investigation by Brunswick prosecutors over when he knew about the defeat devices.

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