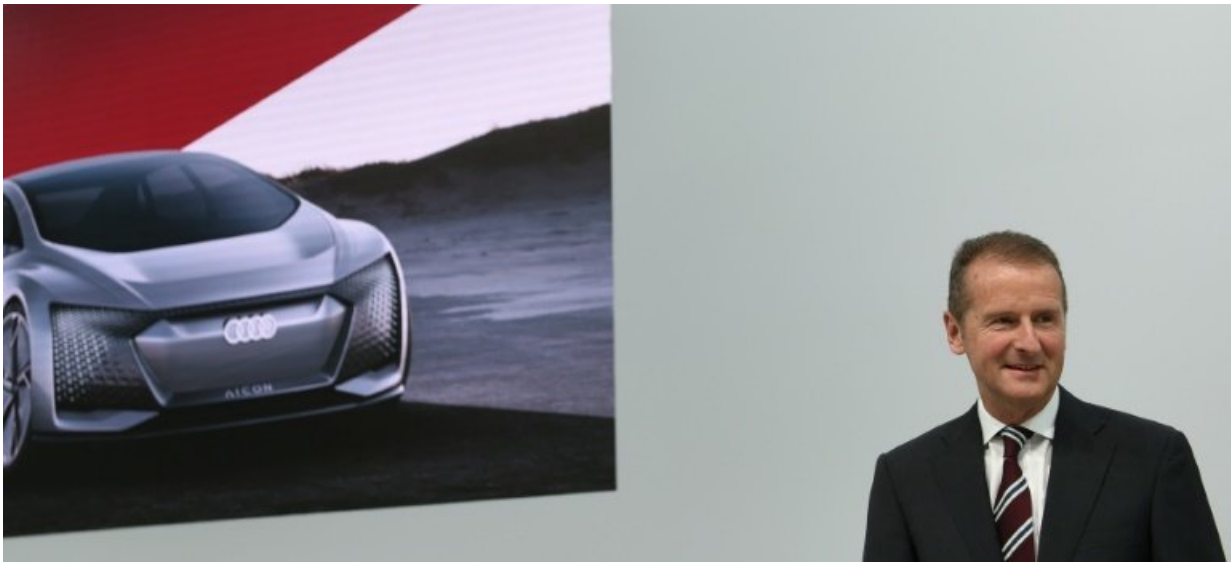


# VW 'contests' report boss knew of diesel cheating risk

May 13 2018, by Tom Barfield

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Volkswagen rejects allegations that its CEO Herbert Diess had been briefed about the diesel cheating almost a month before the firm admitted to the scam

German carmaker Volkswagen rejected Sunday a report that chief executive Herbert Diess knew of the financial risks from the firm's massive diesel cheating earlier than he has so far acknowledged.

Oliver Schmidt, a former VW manager jailed in the US over dieselgate, told the FBI he had briefed Diess and other executives about the cheating and the potential financial consequences on August 25, 2015,

German weekly Bild am Sonntag (BamS) reported.

That was almost one month before the group's public admission on September 18 that it installed "defeat devices"—shorthand for a physical or software system that makes a vehicle appear less polluting under test conditions compared with real on-road driving—into 11 million cars worldwide.

There have been conflicting reports in German and international media about which executives knew what and when in the hectic final weeks before Volkswagen came clean about diesel cheating.

A clear timeline is vital to legal cases in which shareholders are trying to claw back cash they lost when the group's share price slumped in the days after the scandal broke, as board members have a duty to inform investors of potential financial harm to their company in a timely fashion.

A Volkswagen spokesman on Sunday highlighted its defence in a 9.0-billion-euro (\$10.8 billion) German legal case brought by shareholders, in which it "contests" Schmidt's claim to have briefed then-chief [executive](#) Martin Winterkorn, Diess and others about looming fines of \$18.5 billion on August 25.

"In this meeting, the threat of imminent or concrete fines... was not discussed," the document reads.

"Insofar as Mr Schmidt is supposed to have mentioned the legal maximum punishments, he did not say that concrete fines of this amount should be expected," it adds, saying executives still hoped at the time to find a "consensual solution" with US authorities.

Diesel [cheating](#) by the world's largest carmaker has so far cost it more

than 25 billion euros in buybacks, fines and compensation, and the company remains mired in legal woes at home and abroad.

According to German media reports last week, VW boss Diess won assurances from US authorities that he is free to travel to the US and elsewhere and that they would inform him in advance if he were to be charged or if any arrest warrants against him were issued.

Volkswagen declined at the time to comment on the reports.

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