

VW seeks damages from ex-CEOs over dieselgate scandal

March 26 2021, by Deborah Cole



Volkswagen said it would demand compensation from Martin Winterkorn, ex-chief executive of the group, as well as Rupert Stadler, former head of its Audi division, for "breach of duty" in connection with "dieselgate".

German auto giant Volkswagen said Friday it would seek unspecified damages from two former CEOs over the "dieselgate" emissions cheating scandal that has cost it tens of billions of euros.

The company said in a statement it would demand compensation from

Martin Winterkorn, ex-chief executive of the group, as well as Rupert Stadler, former head of its Audi division, for "breach of duty" in connection with the affair.

The Volkswagen group was plunged into crisis in 2015 when it admitted to installing cheating software in 11 million diesel vehicles worldwide to dupe pollution tests.

The scandal, based on allegations from the US Environmental Protection Agency (EPA), has so far cost the German car giant more than 30 billion euros (\$35 billion) in fines, legal costs and compensation.

The group said in its statement Friday that it had completed an internal investigation begun in October 2015 into the "causes and those responsible for the diesel crisis".

"Breaches of duty by other members of the company board were not found," it said.

In a letter to staff seen by AFP, the group [supervisory board](#) said the claims for damages against Winterkorn and Stadler were part of a thorough reckoning owed to "our workforce, our customers, shareholders as well as the regions where our sites are located and, not least, the government".

'Integrity and compliance'

"Volkswagen has worked hard and has made the right adjustments to get internal structures and processes back on track," the letter said.

"Ethics, integrity and compliance are now solidly and broadly established in our daily business."

The company said it had found evidence that Winterkorn had failed to take action from July 2015 to get "immediate and comprehensive" information about the use of the illegal software in vehicles sold in North America between 2009 and 2015.

It said that he had also "failed in this context to ensure that the questions asked by the US authorities were truthfully and fully answered".

VW said its supervisory board had found that Stadler had not investigated from September 2016 whether Audi motors built into Volkswagen, Porsche and Audi model vehicles in the EU included the illicit software.

'Rejects the accusation'

The group said the supervisory boards of its Audi and Porsche subsidiaries had found further breaches of duty by former Audi board members Ulrich Hackenberg and Stefan Knirsch and Porsche ex-board member Wolfgang Hatz and would also seek compensation from them.

A previous claim had already been made against Heinz-Jakob Neusser, a former board member at VW's cars unit.

Winterkorn, 73, and four other ex-Volkswagen colleagues are due to go on trial together in Germany on charges of organised commercial fraud and serious tax evasion.

The start of proceedings has been repeatedly pushed back owing to the coronavirus pandemic and a new trial date was set Wednesday for September 16.

The first senior executive to go on trial over "dieselgate" was Stadler, 58, whose fraud proceedings opened in Munich last year.

Winterkorn's attorneys said in a statement that he "regrets the decision by the supervisory board to stake a personal claim" against him and "rejects the accusation against him".

They said that he had "done everything possible... to lessen the damages incurred".

"He will seek to resolve these questions in dialogue with the Volkswagen group," the lawyers said.

VW has been struggling for nearly six years to get out from under the "dieselgate" affair which has tarnished the brand's image worldwide.

This month it announced an offensive to brush up its green credentials and dominate the electric car market globally by 2025, vowing to set up six battery factories in Europe by the end of the decade.

"Our transformation will be fast, unprecedented and on a scale not seen in the automobile industry in a century," current chief executive Herbert Diess said.

© 2021 AFP

Citation: VW seeks damages from ex-CEOs over dieselgate scandal (2021, March 26) retrieved 1 May 2024 from <https://techxplore.com/news/2021-03-vw-ex-ceos-dieselgate-scandal.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--