

Germany puts first auto boss on trial over 'dieselgate'

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No senior executive has been convicted so far in connection with the 'dieselgate' scandal in Germany

Former Audi CEO Rupert Stadler on Wednesday became the first auto boss to go on trial in Germany over the "dieselgate" emissions scandal, five years after parent company Volkswagen admitted to the scam.

Stadler, 57, appeared before the Munich district court to answer charges of fraud, falsifying certifications and false advertising.

He wore a face mask upon arrival as a precaution against the coronavirus.

With him in the dock are former Audi and Porsche manager Wolfgang Hatz and two Audi engineers, all facing the same charges.

German car giant VW—whose subsidiaries include Porsche, Audi, Skoda and Seat—admitted in September 2015 that it had installed software to rig emissions in 11 million diesel vehicles worldwide.

The so-called defeat devices made the vehicles appear less polluting in lab tests than they were on

the road.

To date, just two VW employees have received jail terms over the cheating, both in the United States.

Intense media interest in the Stadler case coupled with social distancing requirements led court officials to move proceedings to a larger room in a justice building outside the city centre.

The trial is expected to last until December 2022.

If found guilty, the accused face up to 10 years in jail.

"This is a very complex trial, because of course we have to gather a lot of evidence: the technical things that were developed on the one hand, and the responsibilities of the persons (involved) on the other," prosecution spokeswoman Andrea Mayer told media.



Former Audi chief executive Rupert Stadler denies accusations that he knew of plans to defeat pollution testing devices

Before the 90-page indictment was read aloud, Stadler's lawyer kicked off proceedings by asking judges to disclose whether they or their spouses had driven a VW diesel since 2009 to avoid a "possible bias".

Judges said they would consider the request.

'No knowledge'

Volkswagen has always insisted that the diesel trickery was the work of a handful of lower-level employees acting without the knowledge of their superiors, but prosecutors dispute this.

Stadler had been Audi's chief executive for 11 years when he was arrested in June 2018.

He spent four months in pretrial detention owing to prosecution concerns he could try to influence witnesses.

Prosecutors say Stadler knew about the scam by the end of September 2015 "at the latest" but nevertheless allowed thousands more vehicles fitted with illegal defeat devices to be sold.

The other defendants face the more serious accusation of being involved in developing the manipulating software.

The charges against them cover 434,420 Volkswagen, Audi and Porsche vehicles sold in Europe and the United States as far back as 2009.

Both Stadler and Hatz deny any wrongdoing.



VW has not yet settled the final bill for the dieselgate scandal

Electric pivot

Stadler is not the only high-profile executive facing judgement.

A regional tribunal in Brunswick, near VW's Wolfsburg headquarters, recently ordered Martin Winterkorn, former CEO of the VW group, to stand trial on charges of fraud and stock market manipulation.

VW's current CEO Herbert Diess and supervisory board chair Hans Dieter Poetsch also faced accusations of failing to inform shareholders in a timely manner of the pollution scam.

But those proceedings were dropped after VW agreed to a settlement that cost it nine million euros (\$10.5 million).

The "dieselgate" saga has already cost VW more than 30 billion euros in fines, legal costs and compensation to car owners—mainly in the United States.

Claims of emissions rigging have also been made against other carmakers, including Daimler and Fiat Chrysler.

The fallout has accelerated development of environmentally-friendly electric vehicles, requiring huge investments in a tough economic climate.

And Volkswagen's "dieselgate" bill is not quite settled yet.

In April, VW settled Germany's biggest lawsuit in an out-of-court settlement that requires it to pay around 750 million euros to 235,000 customers, or between 1,350 and 6,250 euros per car.

VW is now trying to reach settlements with up to 60,000 individual claimants after a German court issued a landmark ruling in May ordering the car

giant to buy back a manipulated diesel from its owner.

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