



PRESS RELEASE

Attorney General Frosh Announces Compensation for Maryland Consumers Under Settlements with Volkswagen Over Emissions Fraud

VW Required to Repurchase or Fix Falsely-Marketed Diesel Vehicles, Provide Restitution and Address Environmental Harms; Attorneys General Obtain More Than \$570 Million from VW

Baltimore, MD (June 28, 2016) – Maryland Attorney General Brian E. Frosh today announced a settlement requiring Volkswagen to pay more than \$570 million for violating state laws prohibiting unfair or deceptive trade practices by marketing, selling and leasing diesel vehicles equipped with illegal and undisclosed defeat device software. This agreement is part of a series of state and federal settlements that will provide cash payments to affected consumers, require Volkswagen to buy back or modify certain VW and Audi 2.0-liter diesel vehicles, and prohibit Volkswagen from engaging in future unfair or deceptive acts and practices in connection with its dealings with consumers and regulators. Volkswagen must pay more than \$15 million to settle the claims brought by the Maryland Office of Attorney General.

"Volkswagen's deceptions are particularly egregious because they told consumers that these cars—which are environmental nightmares—were good for the environment, even going so far as saying they were as environmentally friendly as hybrids. Consumers who bought these cars not only did not get what was advertised, but they also paid a premium because they wanted to be responsible environmental stewards," said Attorney General Frosh. "Instead, they have unwittingly been driving cars that were spewing up to 40 times more pollution than allowed by law. My Office will not tolerate companies that lie to consumers and endanger our environment for the sake of profit."

The attorneys general's investigation confirmed that Volkswagen sold more than 570,000 2.0- and 3.0-liter diesel vehicles in the United States equipped with "defeat device" software intended to circumvent applicable emissions standards for certain air pollutants, and actively concealed the existence of the defeat device from regulators and the public. Volkswagen made false statements to consumers in their marketing and advertising, misrepresenting the cars as environmentally friendly or "green" and that the cars were compliant with federal and state emissions standards, when, in fact, Volkswagen knew the vehicles emitted harmful oxides of nitrogen (NO_x) at rates many times higher than the law permitted.

Under the settlements, Volkswagen is required to implement a restitution and recall program for more than 475,000 owners and lessees of 2.0-liter diesel vehicles, of the model years 2009 through 2015 listed in the chart below at a maximum cost of just over \$10 billion. This includes 16,326 vehicles in Maryland.

Today's coordinated settlements resolve consumer protection claims raised by a multistate coalition of 43 State Attorneys General against Volkswagen AG, Audi AG, and Volkswagen Group of America, Inc., Porsche AG and Porsche Cars, North America, Inc. – collectively referred to as Volkswagen. The Maryland Office of the Attorney General served on the multistate coalition's Executive Committee. Volkswagen is also entering into settlements to resolve actions brought by the United States Environmental Protection Agency (EPA) and Department of Justice (DOJ), the Federal Trade Commission (FTC), the State of California, and car owners in private class action suits.

Once the consumer program is approved by the court, affected Volkswagen owners will receive restitution payment of at least \$5,100 and a choice between:

- A **buy back** of the vehicle (based on pre-scandal NADA value); or
- A **modification** to reduce NO_x emissions provided that Volkswagen can develop a modification acceptable to regulators. Owners will still be eligible to choose a buy back in the event regulators do not approve a fix. Owners who choose the modification option would also receive an Extended Emission Warranty; and a Lemon Law-type remedy to protect against the possibility that the modification causes subsequent problems.

The consumer program also provides benefits and restitution for lessees (restitution and a no-penalty lease termination option) and consumers who sold their cars after September 18, 2015 when the emissions-cheating scandal was disclosed (50 percent of the restitution available to owners). Additional components of today's settlements include:

- **Environmental Mitigation Fund:** Volkswagen will pay \$2.7 billion into a trust to support environmental programs throughout the country to reduce emissions of NO_x. This fund, also subject to court approval, is intended to mitigate the total, lifetime excess NO_x emissions from the 2.0-liter diesel vehicles identified below. Under the terms of the mitigation trust, Maryland is eligible to receive approximately \$72,900,000 to fund mitigation projects.
- **Additional Payment to the States:** In addition to consumer restitution, Volkswagen will pay to the states more than \$1,000 per car for repeated violations of state consumer protection laws, amounting to \$570 million nationwide.
- **Zero Emission Vehicles:** Volkswagen has committed to investing \$2 billion over the next 10 years for the development of non-polluting cars, or Zero Emission Vehicles (ZEV), and supporting infrastructure.
- **Preservation of Environmental Claims:** Today's settlement by state attorneys general preserves all claims under state environmental laws, and Maryland maintains the right to seek additional penalties from Volkswagen for its violations of environmental and emissions laws and regulations.

Volkswagen will also pay \$20 million to the states for their costs in investigating this matter and to establish a fund that state attorneys general can utilize for future training and initiatives, including investigations concerning emissions violations, automobile compliance, and consumer protection.

The full details of the consumer program will be available online at VWCourtSettlement.com and www.ftc.gov/VWSettlement.

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2.0 Liter Diesel Models

Model Year (MY)	EPA Test Group	Vehicle Make and Model(s)
2009	9VWXV02.035N	VW Jetta, VW Jetta Sportwagen
2010	9VWXV02.0U5N	
2010	AVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2011	BVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2012	CVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2013	DVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2014	EVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen
2012	CVWXV02.0U4S	
2013	DVWXV02.0U4S	VW Passat
	EVWXV02.0U4S	

2014

2015

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VW Beetle, VW Beetle
Convertible, VW Golf, VW
Golf Sportwagen, VW Jetta,
VW Passat, Audi A3