



PRESS RELEASE

Attorney General Frosh, MDE Secretary Grumbles Announce \$33.5 Million Settlement with Volkswagen
Resolves Litigation Stemming from the Auto Manufacturers' Use of "Defeat Devices" that Concealed Illegal Amounts of Harmful Emissions

BALTIMORE, MD (April 25, 2018) – Maryland Attorney General Brian E. Frosh and Maryland Secretary of the Environment Ben Grumbles today announced a \$33.5 million [settlement](#) with Volkswagen AG and its affiliates, Audi AG and Porsche AG. The settlement announced today relates to the auto manufacturers' use of "defeat devices" in violation of Maryland's environmental laws. The devices were installed in model year 2009-2015 diesel engines to ensure that the vehicle's emissions controls performed properly during emissions testing, but in real-world driving conditions, the device switched off or scaled back the vehicle's emissions controls - resulting in harmful nitrogen oxide emissions.

"Volkswagen, Audi and Porsche installed defeat devices in their cars to trick regulators, to deceive the public, to defraud thousands of Maryland consumers and to spew massive amounts of pollution into our air," said Attorney General Frosh. "This settlement is just one of several brought by Maryland against Volkswagen and should send a clear message to auto manufacturers that violating laws designed to protect our environment and the health of our citizens is unacceptable and will result in harsh penalties."

"This enforcement settlement shows polluters will pay a stiff price for breaking the laws that protect the air Marylanders breathe," said Secretary Grumbles. "The Hogan administration is committed to clean cars and a clean and healthy environment."

Beginning in model year 2009, Volkswagen, Audi and Porsche began installing these defeat devices in several generations of US-market Volkswagen and Audi diesel engines that equipped over a dozen models, including flagship Audi luxury sedans and high-performance Porsche SUVs. Once on the road, the vehicles' emissions systems released up to 40 times allowable limits of nitrogen oxide gases – a harmful pollutant linked to respiratory disease. Nitrogen oxide emissions are also a significant source of nutrient pollution to the Chesapeake Bay and its tributaries.

Under the terms of the agreement, Volkswagen, Audi and Porsche agreed to:

- Pay a \$29 million civil penalty.

- Select a Maryland-based port facility to provide certain logistical and other support to Volkswagen Group of America, Inc.'s U.S. East Coast operations over an estimated five-year term, valued at \$4.5 million in benefit to Maryland's economy. If those terms are not met, an additional \$4.5 million will be added to the civil penalty, raising the cash payment to \$33.5 million.
- Increase the availability of zero emission vehicles (ZEVs) in Maryland by introducing three additional battery electric vehicle (BEV) models in Maryland, including the currently available e-Golf BEV or its successor or replacement models through 2019. Additionally, in the event that Volkswagen agrees to offer a new BEV model in the United States between 2020 and 2025, Volkswagen will offer that BEV model, or its successor, in Maryland until at least 2025.

In June 2016, Attorney General Frosh announced a \$15 million [settlement](#) his Consumer Protection Division reached with Volkswagen and Audi regarding “defeat devices.” That settlement, in conjunction with related settlements entered into contemporaneously, provided cash payments of at least \$5,100 to affected consumers, required Volkswagen to buy back or modify certain VW and Audi 2.0-liter diesel vehicles, and prohibited Volkswagen from engaging in future unfair or deceptive acts and practices in connection with its dealings with consumers and regulators. In addition to the \$15 million penalty, the settlements entitled Maryland to receive nearly \$73 million to support environmental mitigation programs.

The settlement is subject to court approval.