



PRESS RELEASE

Attorney General Frosh Announces Settlements with Fiat Chrysler and Bosch to Resolve Diesel Cheating Allegations

***Fiat Must Repair Cars, Pay Consumers and Substantial Penalties;
Parts Supplier Bosch Must Pay for Its Role in the VW and Fiat/Chrysler
Emissions Scandals***

BALTIMORE, MD (January 10, 2018) – Maryland Attorney General Brian E. Frosh today announced settlements with Fiat Chrysler Automobiles (Fiat) and Bosch, resolving allegations the companies engaged in and facilitated cheating diesel emissions tests, defrauding consumers, and causing dangerous and illegal amounts of air pollution.

The settlements are the result of multi-state investigations of Fiat and Bosch’s conduct that were co-led by Attorney General Frosh on behalf of the Consumer Protection Division of the Attorney General’s Office and the Department of Environment. The settlements address allegations that those companies were involved with using illegal “defeat devices” in diesel vehicles sold in Maryland and throughout the U.S to allow the vehicles to appear to meet emissions requirements. Attorney General Frosh alleged consumers were sold cars that were advertised as being “clean” and “green,” but which actually emitted far more dangerous oxides of nitrogen (NO_x) than allowed by law. NO_x is a dangerous pollutant that causes and aggravates respiratory diseases and contributes to the formation of smog and acid rain.

Fifty-two jurisdictions took part in the Fiat investigation, including all states except California, and included D.C., Puerto Rico, and Guam. A total of 50 jurisdictions took part in the Bosch investigation. Fiat has agreed to pay the investigating states a total of \$72,500,000, and Bosch has agreed to pay the investigating states a total of \$103,713,378 - a combined total of \$176,213,378.

“Automobile manufacturers and their suppliers cannot design vehicles or parts to cheat emissions tests,” said Attorney General Frosh. “Consumers paid a premium to buy what they thought were clean cars, but ended up spewing huge amounts of pollution into the air. The additional pollution endangered the health of Marylanders, fouled our air and our Chesapeake Bay. Today, both companies are paying for the damage that we allege they caused.”

“This settlement shows polluters will pay a stiff price for breaking the laws that protect the air Marylanders breathe,” said Maryland Environment Secretary Ben Grumbles. “Some of the funds

will be used for a pilot program for electric school buses. It's all part of the Hogan Administration's strong commitment to clean transportation, climate action and a healthy Chesapeake Bay."

Fiat is alleged to have used defeat devices in approximately 100,000 diesel-powered Jeep Grand Cherokees and Ram 1500 pickup trucks in model years 2014 through 2016, about 1,200 of which were sold in Maryland. As was the case in the Volkswagen emissions cheating scandal, the Attorney General alleged that Fiat cheated on emissions tests because its vehicles could not meet Fiat's performance and fuel economy goals while maintaining legal emissions levels. Instead, Fiat allegedly used defeat devices so that its vehicles could pass emissions tests, but then operate differently in real-world driving, where the vehicles could achieve better fuel economy, but only at the expense of significantly increased emissions. The Attorney General alleged that Fiat marketed the vehicles to consumers as "clean" and "green" even though it knew that was far from the case. The Fiat settlement requires the company to pay the Maryland Attorney General's Office and the Maryland Department of the Environment a total of \$2,358,204, which includes payment for the costs of the investigation, penalties for alleged violations of Maryland's environmental laws and funds to provide restitution for Maryland consumers who purchased Fiat's diesel vehicles. The settlements are also conditioned on Fiat fixing the affected vehicles so that they are emissions compliant, paying owners who get the fix between \$2,460 and \$3,075 through a class-action claims process, and providing an extended warranty on the vehicles' emissions systems. Lessees and some former owners of the vehicles will receive \$990.

The Bosch settlement, which is unique in that it holds a parts supplier responsible for its alleged role in developing and marketing products sold by other companies, addresses not only Bosch's role in working on the alleged defeat devices in Fiat's vehicles, but also its alleged participation in the massive emissions fraud Volkswagen admitted to in 2016. Bosch provided the software that controlled emissions systems in over half a million diesel VWs with defeat devices, as well as in the over 100,000 Grand Cherokees and Ram 1500s that are now alleged to use the software to cheat emissions tests. The Attorney General and MDE alleged that Bosch enabled Fiat and VW's cheating by programming the emission control software it sold them when Bosch knew that VW and Fiat would use that software to avoid emissions limits and to deceive their customers.

Under the settlement, Bosch must pay the Maryland Attorney General's Office and the Maryland Department of the Environment a total of \$3,879,082 for its participation in Fiat and VW's violations of environmental and consumer protection laws. Under a related settlement with vehicle owners announced today, Bosch will pay approximately \$27.5 million to consumers who purchased or leased the affected Fiat Chrysler vehicles. Bosch earlier paid more than \$275 million to consumers who purchased or leased Volkswagens that included defeat devices.

Both settlements contain injunctions against the companies that should prevent this type of emissions cheating from reoccurring and, in the case of Bosch, require the company to report emissions cheating scandals rather than facilitate them.