

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL
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Attorney General Racine Announces \$570 Million National Settlement with Volkswagen, \$2.5 Million Penalty to the District
Affected Consumers to Receive \$5,100 and Choice of Vehicle Buyback or Modification

WASHINGTON, D. C. – Attorney General Karl A. Racine announced today that the District and 42 states have reached a \$570 million settlement with Volkswagen AG; Audi AG; Volkswagen Group of America, Inc.; Porsche AG; and Porsche Cars, North America, Inc. (collectively referred to as Volkswagen). The settlement resolves allegations that Volkswagen violated District and state consumer protection laws by marketing, selling and leasing diesel motor vehicles equipped with illegal emission defeat devices.

The Office of the Attorney General (OAG) for the District of Columbia served on the Executive Committee that led the states' investigation into Volkswagen. The agreement resolving the investigation, which includes monetary penalties and an injunction preventing Volkswagen from further violating the law, is part of a series of settlements that punish Volkswagen for its misconduct and provide cash payments to affected consumers.

In a separate settlement, Volkswagen agreed to buy back or modify certain diesel vehicles and pay restitution to consumers.

"This is an important victory for consumers in one of the worst cases of corporate wrongdoing we have ever seen," Attorney General Racine said. **"The District and our partner states, along with our federal partners, have sent a strong message that even large global companies must abide by federal and state laws designed to protect consumers from deceptive marketing."**

The multistate investigation of Volkswagen confirmed that the company sold more than 570,000 diesel vehicles in the United States equipped with so-called "defeat" devices designed to circumvent emissions tests. Volkswagen also actively concealed the existence of the defeat devices from regulators and the public.

Volkswagen further made false statements to consumers in their marketing and advertising, misrepresenting its cars as being environmentally friendly and compliant with federal and state emissions standards, when, in fact, Volkswagen knew the vehicles violated legal standards for emissions.

Under the settlements, Volkswagen is required to implement a consumer-restitution-and-recall program for more than 475,000 owners and lessees of model year 2009 to 2015 vehicles with 2.0-liter diesel engines. Affected Volkswagen automobiles are listed in the chart below. The affected models include at least 1,183 vehicles that were sold or leased in the District.

The parties are still discussing a solution or buyback remedy for a smaller group of owners of VW vehicles that contain 3.0-liter diesel engines.

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

- A **buyback** of the vehicle (based on the car's value before the emissions-cheating scandal became public); or
- A **modification** to reduce illegal emissions – provided that Volkswagen can develop a repair program acceptable to regulators. Owners will still be eligible to choose a buyback in the event regulators do not approve a fix. Owners who choose the modification option will 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 an option to terminate leases without penalties) 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). The consumer program is still subject to court approval.

Additional components of the settlements include:

- **Environmental Mitigation Fund:** Volkswagen will pay \$2.7 billion into a trust to support environmental programs throughout the country to reduce illegal emissions. This fund, also subject to court approval, is intended to mitigate the total, lifetime excess emissions from the vehicles identified below. Under the terms of the mitigation trust, the District is eligible to receive \$7.5 million to fund mitigation projects.
- **Additional Payment to the States:** In addition to consumer restitution, Volkswagen will pay the states more than \$570 million nationwide. This amount includes a \$2.5 million penalty paid to the District to punish Volkswagen for its deceptive marketing of its vehicles.
- **Developing Zero-Emission Vehicles:** Volkswagen has committed to investing \$2 billion over the next 10 years for the development of non-polluting cars and supporting infrastructure.

Volkswagen will also pay \$20 million to help reimburse the states' costs in investigating this matter and will establish a fund that state attorneys general can use 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 on or about June 28, 2016. A copy of Volkswagen's settlement with the District is attached.

2.0 Liter Diesel Models

Model Year (MY)	EPA Test Group	Vehicle Make and Model(s)
2009	9VWXV02.035N 9VWXV02.0U5N	VW Jetta, VW Jetta Sportwagen
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 2013 2014	CVWXV02.0U4S DVWXV02.0U4S EVWXV02.0U4S	VW Passat
2015	FVGAV02.0VAL	VW Beetle, VW Beetle Convertible, VW Golf, VW Golf Sportwagen, VW Jetta, VW Passat, Audi A3

Consumers who have complaints may contact the OAG Office of Consumer Protection at (202) 442-9828, by e-mailing consumer.protection@dc.gov, or by [filing a complaint via our web form](#).