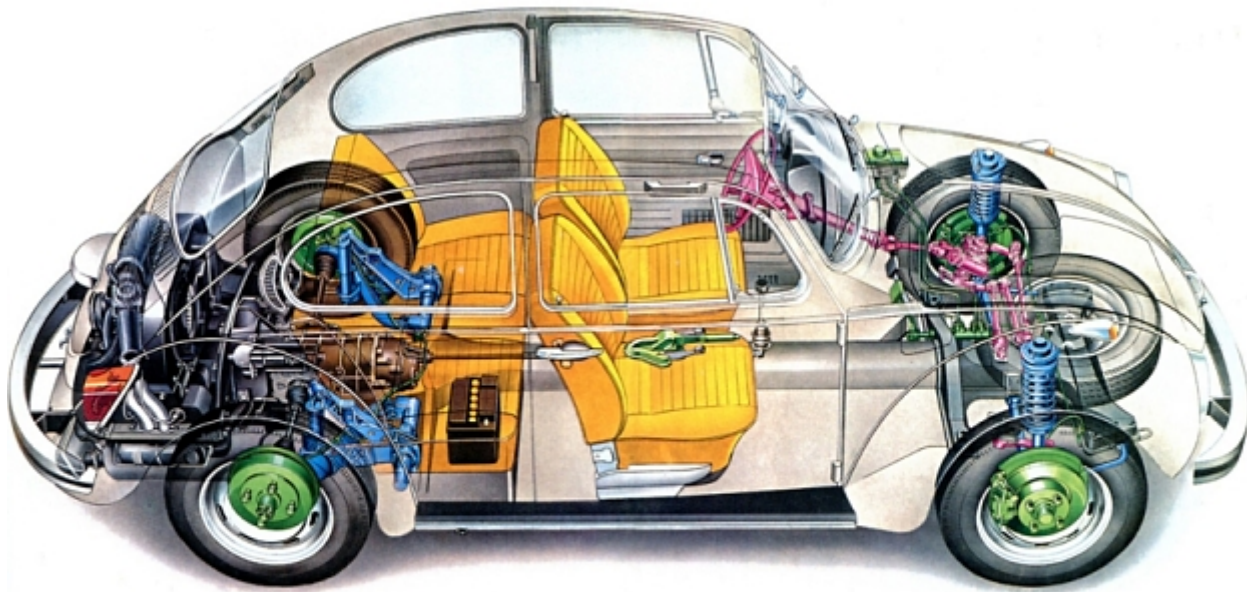


## VW tried to cover up emissions scandal when regulators started probe

Volkswagen America is understood to have sent letters to California owners of diesel-powered Audis and Volkswagens asking them to bring their cars in to a dealership for a software upgrade



### Drive the 1303 Beetle. With the engineering of a World Champion.

The VW 1303 has an elaborate axle design with semi-trailing arms at the rear and suspension struts up front.

Each wheel has independent suspension. Which means it's individually sprung. So that one wheel

It has the legendary Volkswagen fully synchronized four speed gearbox - one of the Beetle's greatest features.

The VW 1303, like all Beetles, has a dual circuit

A safety steering wheel sits on the safety steering column with large crash pad and sheer off interior element.

The steering wheel stays steady in your hand

hit the brakes in an emergency chances are you'll veer to one side if the brakes or the road surface produce uneven resistance on the front wheels.

The 1303 has its steering roll radius on the outside of the front wheels. This allows some unusual resistance

VW is under pressure to repair its bruised reputation by both the German government and its own shareholders Photo: Rex Features

By Julia Bradshaw

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The crisis engulfing disgraced car giant Volkswagen deepened as news emerged of the extent to which the company knew about the emissions-rigging scandal and further top executives faced the axe.

Audi R&D boss Ulrich Hackenberg, Porsche's Wolfgang Hatz and VW's US chief executive Michael Horn, who admitted "we totally screwed up", were reported to be in line to lose their jobs at a meeting of the supervisory board on Friday.

*"We have been informed that also in Europe, vehicles with 1.6 and 2.0 litre diesel engines are affected by the manipulations that are being talked about"*

German Transport Minister  
Alexander Dobrindt

The stricken car maker is under pressure to repair its bruised reputation by both the German government and its own shareholders. The economy and transport minister of VW's home state, Lower-Saxony - which owns about 20pc of VW - said those responsible for allowing the manipulation to happen must be held to account.

News has also emerged that VW knew about the device cheat in the US and tried to cover it up last year, after American regulators started investigating.

In April, Volkswagen America is understood to have sent letters to California owners of diesel-powered Audis and Volkswagens asking them to bring their cars in to a dealership for a software upgrade.



What VW failed to explain was that the letters were part of a recall meant to satisfy government regulators who were looking into discrepancies between laboratory emissions test results and pollution levels emitted by the cars under normal use. At the time, VW insisted the problem was only a technical glitch.

VW has already admitted that 11m of its cars around the world might contain the so-called “defeat” devices, which can cheat emissions tests by detecting when a car is being tested and force the engine to emit fewer harmful gases.

*The world’s biggest car manufacturer also faces the prospect individual and class action lawsuits around the world*

The German government, meanwhile, revealed that the secret “defeat devices” were also built into the company’s cars in Europe as well as in the US, though it isn’t yet clear if it helped cheat the emissions tests, as was the case in the US.

German Transport Minister Alexander Dobrindt said: “We have been informed that also in Europe, vehicles with 1.6 and 2.0 litre diesel engines are affected by the manipulations that are being talked about.”

VW has set aside €6.5bn to help cover the costs of any fallout from the crisis, including a recall, but industry experts and analysts believe this figure will need to be much higher as governments around the world launch investigations into the scandal.



Martin Winterkorn, former CEO of Volkswagen Photo: AP

German public prosecutors are conducting a preliminary criminal inquiry into the company, while the US Justice Department has also launched a criminal probe and the US Environmental Protection Agency could slap VW with penalties totalling billions of dollars.

The world's biggest car manufacturer also faces the prospect individual and class action lawsuits around the world as well as further action from governments in France, Italy, South Korea, Canada, New Zealand and the UK, who are all looking into the matter.

The deception has even prompted some financial institutions to boycott VW. Scandinavia-based Nordea Bank has barred its traders from buying Volkswagen shares and bonds for six months.

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Credit ratings agencies S&P and Moody's have both placed VW on "negative creditwatch", as the automaker looks likely to incur "substantial" penalties", following a similar move from Fitch on Wednesday.

Seat, the Spanish subsidiary of German group Volkswagen, installed the infamous pollution-cheating software in more than 500,000 cars made in Spain, daily newspaper El Pais reported, citing unnamed sources with ties to the company.

Shares in VW dipped 2pc on Thursday and are 26pc lower than before news of the scandal broke.