

## **Killing people versus cheating EPA emission regulations**

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When bailout-darling GM 'fessed up to an intentional ignition-switch defect, tied to at least 174 deaths, The Justice Department fined them \$900 million (and no employees faced criminal charges). So, in this consequence-less world in which we live, when Volkswagen admits to literally cheating emissions-standards tests, it faces up to \$18 billion in fines from The EPA, one has to wonder whether "we" have our priorities right?

VW shares have been monkey-hammered this morning after the "cheating" scandal was exposed...

### **The Washington Post reports**

*For hiding a fatal ignition-switch defect tied to at least 174 deaths, General Motors employees will face no criminal charges and the automaker will pay a \$900 million fine — less than a third of its \$2.8 billion in profit last year.*

*The settlement with the Department of Justice, announced Thursday, signals a close to the criminal investigation that has long tarnished the car giant. But critics say the automaker got off easy for mishandling one of the worst auto safety crises in history, and years of lying to safety regulators and leaving Americans at risk.*

*"I have a saying about GM: There's no problem too big that money can't solve," said Clarence Ditlow, executive director of the Center for Auto Safety. GM "is buying [its] way out of a criminal prosecution."*

GM's penalty is also less than the record-setting \$1.2 billion fine levied on Toyota last year after the Japanese car giant failed to recall cars that could suddenly accelerate, even though federal regulators say the defect has been linked to at least five deaths.

### **The EPA has the power**

So, as The Telegraph reports, VW could face huge fines if it is found to have violated America's Clean Air Act, as US watchdogs claimed it has done. The EPA has the power to impose a \$37,500 penalty per vehicle in contravention of law, meaning VW could face a theoretical penalty of \$18bn for the 482,000 cars affected.

*Allegations first surfaced late on Friday that America's Environmental Protection Agency (EPA) believed VW fitted "defeat devices" to almost 500,000 of its diesel cars sold in the US.*

*According to the watchdog, these pieces of software sensed when a car was being tested for the amount of pollution it produced and activated full emissions controls.*

*However, the EPA claims that during normal driving, emissions control systems were not as effective, meaning cars pumped out far more pollutants, such as Nitrous Oxides (NOx), which have been linked to serious respiratory diseases.*

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*Having initially remained quiet after news broke, other than to say it was co-operating with the US authorities, VW broke its silence yesterday with Mr Winterkorn saying he was “personally deeply sorry that we have broken the trust of our customers and the public”.*

*Mr Winterkorn, who only recently won a power struggle that saw Ferdinand Piech ousted as VW chairman, added that “the trust of our customers and the public is and continues to be our most important asset” and that VW “does not and will not tolerate violations of any kind of our internal rules or of the law”.*