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Page 1 of 3

Attorney General Steve Marshall Announces Settlements with Fiat Chrysler and Robert Bosch Company for Consumer Protection Violations in Concealing Vehicle Emission Levels

(MONTGOMERY) – Attorney General Steve Marshall announced today that Alabama has been a leader in a coalition of states that obtained landmark settlements with Fiat Chrysler and with Robert Bosch GmbH for consumer protection violations due to illegally altered measurements of vehicle emissions. The settlements have been agreed to by the parties and are subject to final court approval.

Separate state and private settlements with Fiat and with Bosch will provide compensation for Alabama consumers who purchased or leased affected Fiat Chrysler vehicles, as well as combined civil penalties and fees of approximately \$2.7 million to the State of Alabama and payments of more than \$171 million to 52 jurisdictions nationwide. Bosch is a German engineering and electronics company that supplied and helped program the illegal emissions “defeat device” software used by both Fiat Chrysler and Volkswagen in their diesel vehicles.

The settlements are the result of a nearly two-year investigation led by the Attorneys General of Alabama, Connecticut, Illinois, Maryland, Massachusetts, New York, Oregon, Texas and Washington.

Fiat Chrysler

Attorney General Marshall’s lawsuit against Fiat Chrysler, filed on February 7, 2019, in Jefferson County Circuit Court makes claims involving 740 Model Year 2014-16 Jeep Grand Cherokee and Ram 1500 diesel vehicles sold in Alabama.

The Attorneys General of Alabama and 51 other states, commonwealths and territories, as well as several state environmental enforcement agencies, filed suit against Fiat Chrysler Automobiles N.V., its U.S. subsidiary FCA US, LLC, its Italian affiliate V.M. Motori S.p.A. and V.M. North America, Inc. (collectively, “Fiat Chrysler”). The Attorneys General sued Fiat Chrysler for having installed unlawful defeat device software and undisclosed auxiliary emissions control devices.

Their investigation found that Fiat Chrysler cheated on federal and state emissions tests by calibrating the vehicles’ software to conceal that the vehicles emitted higher than permitted levels of harmful nitrogen oxides in real-world driving conditions, and misled consumers by falsely claiming the “Eco-Diesel”-branded Jeep SUVs and Ram 1500 trucks were environmentally friendly and compliant with the law in all 50 states.



The settlement requires Fiat Chrysler to pay Alabama approximately \$1 million in civil penalties and fees under State consumer protection laws for deceptively and unfairly marketing, selling and leasing the vehicles to consumers. Nationwide, excluding the separate penalties the company will be required to pay to the federal government and California, the settlement is expected to result in payments totaling \$72.5 million to 49 states, Puerto Rico, the District of Columbia and Guam.

The settlement also prohibits Fiat Chrysler from engaging in future unfair or deceptive acts and practices in connection with its dealings with consumers, and requires it to abide by the requirements of related settlements, including:

- remove the defeat device features from relevant software,
- provide extended warranties to eligible owners and lessees,
- together with co-defendant Bosch, compensate eligible owners approximately \$2,908 if they take their vehicles to authorized dealers for the software repair and compensate lessees and former owners \$990, and
- make available 200,000 upgraded catalytic converters to mitigate air pollution.

If all owners and lessees nationwide participate, this will result in total available restitution of approximately \$307 million, including approximately \$2 million to affected owners and lessees of more than 700 vehicles in Alabama.

The settlements with Fiat Chrysler follow earlier comprehensive settlements reached between Alabama, along with other state, federal and private actors, and Volkswagen for equipping, marketing, selling and leasing more than 570,000 Volkswagen, Audi and Porsche diesel vehicles with illegal defeat devices. Under those settlements, Volkswagen fixed or repurchased the affected vehicles and paid Alabama civil penalties of more than \$4.5 million.

Bosch

Along with Alabama, 49 other jurisdictions are participating in the litigation with Bosch, including Puerto Rico, the District of Columbia, Guam and all states other than California, Texas and West Virginia.

Among the products Bosch supplies to its auto manufacturing customers are the electronic control units that house the complex software that controls nearly all aspects of an engine's performance, including emissions systems. When Volkswagen, a Bosch customer, was revealed to have systematically utilized defeat device software in its diesel vehicles, the Alabama Attorney General and others began a separate investigation into Bosch's role to enable its customers to potentially violate federal and state emissions regulations.

Now, after another Bosch customer, Fiat Chrysler, has settled claims that it too employed illegal defeat devices, Attorney General Marshall's Office today filed a lawsuit and settlement with Bosch, also in Jefferson County Circuit Court, to conclude the separate investigation into Bosch's conduct.

As a result of this investigation, Attorney General Marshall concluded that Bosch facilitated the use of the defeat device software in more than 600,000 Volkswagen and Fiat Chrysler vehicles over a period that spanned more than a decade. Regardless of concerns about the illegal defeat

devices raised internally to management, and externally to Volkswagen and Fiat Chrysler, Bosch continued to assist these customers as they implemented the defeat devices and concealed their misconduct from regulators and the public.

The settlement requires Bosch to pay the State of Alabama approximately \$1.7 million in civil penalties and fees. Bosch must also stringently monitor compliance of its customers and refuse any requests by its customers that could result in the installation of defeat device software.

Bosch is to pay a total of \$98.7 million nationwide under consumer protection and environmental laws, and an additional \$5 million to the National Association of Attorneys General for training and future enforcement purposes. Under other related settlements, Bosch will also 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 the affected Volkswagen vehicles.

Consumers who may be affected should visit www.EcoDieselSettlement.com or call (833) 280-4748 to submit a claim.

Attorney General Marshall commended those on his staff who worked on these matters on behalf of the Attorney General's Consumer Interest Division to bring this matter to a successful conclusion.