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September 29, 2015

The Honorable Loretta Lynch
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Lynch:

I write to you regarding my profound concerns regarding Volkswagen Aktiengesellschaft's (Volkswagen AG) reported use of "defeat devices" in an estimated 11 million vehicles worldwide, including nearly 500,000 vehicles sold in America. These devices were specifically designed to circumvent U.S. emissions standards and defraud California consumers. As a former member of the California Air Resources Board (CARB), I am particularly troubled by reports that Volkswagen executives repeatedly made false statements to state and federal agency officials to disguise their efforts over several years.

Thanks to efforts of the International Council on Clean Transportation and West Virginia University that exposed this scheme, the Environmental Protection Agency (EPA), in collaboration with CARB, has determined that some Volkswagen AG vehicles "emit up to 40 times more pollution than emission standards allow," raising potential public health and environmental consequences. According to media reports, only when EPA and CARB refused to approve its 2016 diesel models for sale did Volkswagen AG acknowledge incorporating stealth software in its vehicles.

Unfortunately for U.S. consumers, this is not the first time automakers have used defeat devices to skirt environmental regulations. According to the Washington Post, in 1998 the EPA reached a billion dollar settlement with several diesel-engine companies, including Caterpillar, Renault, and Volvo for installing equipment to evade emissions requirements and violating federal law. Honda and Ford Motor Company also reached settlements with EPA for using defeat devices.

Earlier this month, the Department of Justice (DOJ) announced a deferred prosecution agreement with General Motors' after the company agreed to pay \$900 million for failing to fix a deadly ignition-switch defect that was linked to more than 120 deaths. In March of last year, DOJ announced a deferred prosecution agreement with Toyota after the company agreed to pay \$1.2 billion to address a sudden acceleration problem that the automaker attempted to cover up. Also in 2014, Hyundai and Kia paid a \$100 million settlement to resolve alleged Clean Air Act violations. The list goes on and on.

Given the appearance of blatant and pervasive disregard for environmental protections, consumer safety, and public health in the automaker industry, individual bad actors must be held accountable to disincentivize corporate wrongdoing. Settlement agreements are not enough to restore public confidence in our regulatory regime and thwart future efforts to evade federal and state laws.

I was heartened to learn that DOJ issued new guidance to federal prosecutors earlier this month encouraging a more aggressive response to white-collar criminal and civil cases. It is my fervent hope that this new posture is not limited Wall Street, but includes malfeasance by other industries, including auto manufacturers. We cannot expect to change a deceptive corporate culture and renew consumer confidence without decisive consequences for individuals who perpetuated fraud and others like it. DOJ's announcement of a criminal investigation into Volkswagen AG's alleged actions is a step in the right direction. A thorough and expeditious criminal investigation is essential to ensuring that the deceptive actions by Volkswagen AG and other automakers are appropriately addressed and that public health and the environment are protected.

Thank you for your attention to this important matter. I appreciate your commitment to addressing corporate wrongdoing, and I look forward to learning more about your ongoing efforts in support of California consumers.

Sincerely,



Mark DeSaulnier
Member of Congress