

Volkswagen in Trouble Again?

By: Marta Studnicka, J.D. Candidate 2021 | January 29, 2019

Many of us remember the mass recall of hundreds of thousands of Volkswagen (VW) cars [in 2015](#). Some may recall that it had to do with the company installing illegal software in diesel engines to cheat U.S. anti-pollution tests. Most thought that the recall would long deter such behavior. But, here we are. Less than four years later, VW faces another investigation by the Kraftfahrt-Bundesamt (KBA) and another potential recall.

[The KBA](#) launched an official investigation into VW models equipped with the 1.2-liter diesel engine, including popular models like the Passat. The vehicles' software allegedly allows VW to cheat emissions tests — a charge with which the company is intimately familiar. The charge could be a special blow to VW's reputation following the company's public denial of illegal activity in 2016. However, VW has hitherto cooperated with the KBA.

[VW managers](#) could face prosecution for fraud, and the KBA could take as many as 30,000 cars off the road. Such a recall could have a gigantic economic impact on the company. In a much less dire — and far more likely — scenario, the KBA could order VW to perform further remedial work.

The potential economic trouble comes at an unfortunate time for the company as it enters the electric [vehicle battery race](#). Fraud charges could put a damper on the speed with which VW enters the vehicle battery market, leaving an opening for other European competitors.

