PROMOTING ETHICS IN PUBLIC LIFE National Legal and Policy Center



to Reasons Why Fisker May Be Worse Than Solyndra

Submitted by Paul Chesser (/bios/paul-chesser) on Thu, 03/15/2012 - 09:25

Automotive - Printer-friendly (http://nlpc.org/print/3890) _ _ _ Email to friend (http://nlpc.org/printmail/3890)

http://automotivediscovery.com/releasing-fisker-karmawer-the-market-even-if-its-not-yet-ready-to-be-launched '9212281/) and green technology advocacy http://www.hybridcars.com/news/were-fisker-karmasaunched-too-quickly-42621.html) Web sites are lbuzz (http://www.torquenews.com/1075/did-fiskerleliver-karma-it-was-ready-doe-loan) with a story lbout a former employee of Fisker Automotive



http://nlpc.org/category/keywords/fisker) who claims the company released its \$102,000-plus Karma electric sport sedan prematurely, in order to meet argets set forth by the <u>Department of Energy (http://nlpc.org/category/keywords</u> <u>'department-energy</u>) so Fisker could access funds from a \$529 million loan ward.

This followed reports from all over the Internet that *Consumer Reports* burchased a Karma in Connecticut for \$107,850, only to <u>see it totally</u> <u>lisabled (http://news.consumerreports.org/cars/2012/03/video-bad-karma-our-fisker-tarma-plug-in-hybrid-breaks-down.html)</u> before the magazine could run it through ts tests.

The whistleblower story <u>originated (http://gigaom.com/cleantech/fisker-electric-</u> <u>:arma-was-pushed-to-market-before-it-was-ready/)</u> on the pro-Clean tech Web site Sigaom.com, and was written by electric vehicle cheerleader <u>Katie</u> <u>-ehrenbacher (http://gigaom.com/author/katiefehren/)</u>. According to her report, The former Fisker employee said that it wasn't uncommon for the first Karma cars to have technical issues, and said that was one reason for eaving Fisker — the employee now works at electric car company Coda." Fisker has drawn \$193 million on the DOE loan, with the last eimbursement in May 2011, but can no longer access those funds because of its failure to attain other milestones under the loan agreement.

No one has speculated publicly who the whistleblower might be, so I will. A ikely suspect is Coda's senior vice president of engineering, Thomas Fritz. According to his bio (http://www.codaautomotive.com/leadership-management/), Fritz headed Fisker's engineering department for more than three years, und before that had 23 years automotive engineering experience that ncluded Ford, BMW and Rolls Royce. So if anybody is in the position to say uthoritatively that the Karma was released before it was ready, it's Fritz.

The timing makes sense too. Fritz <u>left Fisker in March last year</u> <u>http://www.autoobserver.com/2011/06/coda-snags-fisker-engineering-chief.html)</u>, the same month <u>the Karma was put into production (http://www.autoobserver.com</u> <u>'2011/03/fisker-begins-karma-production.html</u>). He landed at Coda in June, only a <u>nonth after Fisker received its last payment (http://content.usatoday.com</u> <u>'communities/driveon/post/2012/02/fisker-halt-layoffs-delaware-gm-governmentoan-missed-deadline-/1)</u> from the DOE loan. Besides the need to meet DOE expectations, Fisker may have responded to market pressures as well.

10 Reasons Why Fisker May Be Worse Than Solyndra | National Legal an... http://nlpc.org/stories/2012/03/15/10-reasons-why-fisker-may-be-worse-...