## PROMOTING ETHICS IN PUBLIC LIFE **National Legal and Policy Center**



## to Reasons Why Fisker May Be Worse Than Solvndra

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**Automotive** 

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http://automotivediscovery.com/releasing-fisker-karmaver-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 buzz (http://www.torquenews.com/1075/did-fiskerleliver-karma-it-was-ready-doe-loan) with a story about 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 Department of Energy (http://nlpc.org/category/keywords department-energy) so Fisker could access funds from a \$529 million loan ıward.

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

The whistleblower story originated (http://gigaom.com/cleantech/fisker-electric-<u>tarma-was-pushed-to-market-before-it-was-ready/)</u> on the pro-Clean tech Web site Gigaom.com, and was written by electric vehicle cheerleader Katie Fehrenbacher (http://gigaom.com/author/katiefehren/). 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, and before that had 23 years automotive engineering experience that ncluded Ford, BMW and Rolls Royce. So if anybody is in the position to say authoritatively that the Karma was released before it was ready, it's Fritz.

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

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