



Another One Bites The Dust

Another Green Energy Company Goes Belly Up, Despite Millions In Taxpayer Loans & Extensive Obama Ties

AFTER RECEIVING \$50 MILLION IN TAXPAYER LOANS, VEHICLE PRODUCTION GROUP IS SUSPENDING OPERATIONS

This Week, Vehicle Production Group (VPG), A Van Maker That Received \$50 Million In Energy Department Loans, “Ceased Operations And Fired Almost All Of Its Employees.” “The shutdown of a wheelchair-van maker financed by U.S. taxpayers is adding to congressional criticism of clean-energy lending by President Barack Obama’s administration that’s been a target since the 2011 bankruptcy of solar-panel maker Solyndra LLC. Vehicle Production Group LLC, a closely held startup that received \$50 million in Energy Department financing, has ceased operations and fired almost all of its employees, its former chief executive officer said yesterday. Car maker Fisker Automotive Inc., which received \$193 million from the same loan program, missed the first payment last month and has also stopped production.” (Angela Greiling Keane, “Van Maker VPG Joins Fisker as Green-Car Lending Flops,” [Bloomberg](#), 5/9/13)

- **A 2011 Energy Department Press Release Projected That Vehicle Production Group Would Create 100 Jobs In Indiana And Another 800 Direct And Indirect Jobs In 17 States.** “The compressed natural gas vehicle MV-1 will use no gasoline and will produce lower emissions than gasoline-fueled vehicles. Vehicle Production Group estimates that at full capacity, the project will produce over 22,000 vehicles per year. The company estimates the project will produce over 100 jobs in Indiana, in addition to approximately 800 more direct and indirect jobs across 17 states for the assembly, part suppliers, production and sale of the vehicle.” (Press Release, “DOE Finalizes \$50 Million Loan for Vehicle Production Group,” [Department Of Energy](#), 3/11/11)

The Energy Department “Seized The \$5 Million In VPG’s Reserve Account,” Despite The Company’s Promise To “Produce About 6,000 Vehicles This Year.” “VPG, based in Allen Park, Michigan, shut down because it didn’t have enough cash to make payroll, said John Walsh, who left about a month ago as its chief executive officer. The Energy Department seized the \$5 million in VPG’s reserve account, he said. VPG last year finished drawing down its full loan amount and didn’t make any repayments, Walsh said ‘We did have to suspend operations,’ Walsh said yesterday in a telephone interview. “We just didn’t have the funding to pay them, so they had to move on to other jobs. VPG had said it would produce about 6,000 vehicles this year. The company hasn’t produced vehicles for about six months, Walsh confirmed.” (Angela Greiling Keane, “Van Maker VPG Joins Fisker as Green-Car Lending Flops,” [Bloomberg](#), 5/9/13)

VPG HAS TIES TO ONE OF OBAMA'S BIGGEST FUNDRAISERS AND THE HEAD OF HIS 2008 VP SELECTION COMMITTEE

Jim Johnson, An Obama Bundler And Head Of His Vice Presidential Selection Committee, Is Vice Chairman Of Perseus, A Firm That Invested In VPG. "An investment firm whose vice chairman has been an adviser and fundraiser for President Obama saw one of its portfolio companies win approval this year for \$50 million in loans from the administration's clean-energy loan program. Washington-based Perseus says its affiliation with James A. Johnson, a major fundraiser for Obama's campaign, played no role in persuading the Energy Department to award the loan to Vehicle Production Group, a Miami start-up that is manufacturing wheelchair-accessible cars and taxis. Johnson headed Obama's vice presidential selection committee in 2008 and is the former chairman of housing mortgage giant Fannie Mae." (Carol D. Leonnig, "Another Obama Fundraiser Is Investor In Car Company That Won Federal Loan," [The Washington Post](#), 10/28/11)

Johnson Was A Bundler For Obama's 2008 Campaign And Raised As Much As \$500,000. "He was listed as a campaign fundraising bundler for Obama in the 2008 race, according to the Center for Responsive Politics, and committed to raising \$200,000 to \$500,000 for the upcoming presidential race." (Carol D. Leonnig, "Another Obama Fundraiser Is Investor In Car Company That Won Federal Loan," [The Washington Post](#), 10/28/11)

BIDEN ADVISER AND FORMER LOBBYIST STEVE RICCHETTI ONCE COUNTED VPG AMONG HIS FIRM'S CLIENTS

Ricchetti Incorporated Was Registered To Lobby On Behalf Of Vehicle Production Group From September 2009 To July 2010. ([Lobbying Disclosure Act Database](#), Accessed 5/9/13)

Steve Ricchetti, Who Has Served As A Counselor To Vice President Biden Since 2012, Formerly Ran Ricchetti Incorporated – A Firm That Specializes In Lobbying, Public Policy, And Communications. "A former lobbyist hired by Vice President Biden over the weekend will not need an ethics waiver to serve in the Obama administration. Steve Ricchetti, of lobby firm Ricchetti Inc., was hired as a counselor to the vice president. ... Since 2008, Ricchetti advised clients on public policy, communications strategy and grassroots efforts, but did not act as a lobbyist with the federal government on behalf of any client, according to an aide to the vice president." (Kevin Bogardus, "Ex-Lobbyist Won't Need A Waiver To Work For Vice President Biden," [The Hill](#), 3/5/12)

- **Ricchetti Got Around The Obama-Biden Lobbyist Ban Because He De-Registered Just As Obama Won The Presidency.** "Steve Ricchetti, whose long list of lobbying clients included Fannie Mae, General Motors, the American Hospital Association and Eli Lilly, was tapped to be counselor to Vice President Biden. Ricchetti achieved this feat — getting around the ban on lobbyists serving in the administration — by using one of Washington's most-honored traditions: the loophole. Just as Obama won the presidency, Ricchetti de-registered as a lobbyist for his various clients." (Dana Milbank, Op-Ed "Settling In To Washington's Ways," [The Washington Post](#), 3/6/12)

VPG'S DEMISE FOLLOWS THE RECENT FAILURE OF FISKER – ANOTHER OBAMA-BACKED CAR COMPANY

Last Month, Fisker Automotive Announced That They Would Lay Off Most Workers In A Sign Of The "Death Of The Anaheim Company." "Stymied by unsuccessful efforts to craft a deal with Chinese investors to save the company, struggling carmaker Fisker Automotive laid off most of its workers Friday. Analysts said the move, combined with retaining a bankruptcy law firm last month, likely signals the death of the Anaheim company, which was founded by auto designer Henrik Fisker in 2007 with high hopes of selling highly styled hybrid sports cars and sedans." (Jerry Hirsch, "U.S. Taxpayers Could Wind Up With Fisker

Automotive Assets," [Los Angeles Times](#), 4/5/13)

- **“Fisker Has Sold Just 2,000 Of Its Karma Hybrid Sports Cars And Hasn’t Assembled A Vehicle In About Nine Months.”** (Jerry Hirsch, “U.S. Taxpayers Could Wind Up With Fisker Automotive Assets,” [Los Angeles Times](#), 4/5/13)

The Energy Department Has “Seized \$21 Million From Fisker Automotive, The Financially Distressed Electric Carmaker That Has Drawn \$192 Million In Federal Loans.” (Ben German, “Energy Dept. Recoups \$21 Million From Struggling Green Automaker,” [The Hill](#), 4/23/13)

The Department Of Energy Seized The Funds To Cover Fisker’s First Installment On Their Taxpayer-Backed Loan. “The Department of Energy has allowed Fisker Automotive to tap a reserve account for cash to pay the first installment on a federal loan that was due today, the department reported late this afternoon. Delaware’s economic development director, Alan Levin, said Fisker owed the Department of Energy \$20 million by today to satisfy a portion of its federal loan.” (Aaron Nathans, “Fisker Taps Last Reserves To Make DOE Payment,” [The News Journal](#), 4/22/13)

- **The Department Of Energy “Essentially Swept The Car Company’s Account Clean.”** “An individual familiar with the process but not authorized to speak about Fisker’s debt said the government essentially swept the car company’s account clean but now must wait to see if the automaker is sold or obtains new investor money before it can try to recoup more of the loan.” (Jerry Hirsch, “Fisker Automotive Misses Energy Department Loan Payment,” [Los Angeles Times](#), 4/22/13)

On Announcing The Fisker Loan, Former Energy Secretary Chu Said “This Investment Will Create Thousands Of New American Jobs ...” “This investment will create thousands of new American jobs and is another critical step in making sure we are positioned to compete for the clean energy jobs of the future,” said Secretary Chu. “Plug-in hybrid electric vehicles could revolutionize personal transportation and cut our dependence on foreign oil, not to mention give us cleaner air and less carbon pollution.” (Press Release, “US Energy Secretary Chu Announces \$528 Million Loan for Advanced Vehicle Technology for Fisker Automotive,” [Department Of Energy](#), 9/22/09)

Biden Attended The Re-Opening Of Fisker’s Delaware Plant, Calling The Loan “Seed Money That Will Return Back To The American Consumer In Billions And Billions And Billions Of Dollars In Good, New Jobs.” BIDEN: “This is seed money that will return back to the American consumer in billions and billions and billions of dollars in good, new jobs.” (ABC News’ “Nightline,” 10/25/11)