Energy Dept. seizes $21M from electric car maker

MATTHEW DALY, Associated Press

WASHINGTON (AP) — The Obama administration has seized $21 million from troubled automaker Fisker Automotive Inc. just weeks after the company laid off three-fourths of its workers amid continuing financial and production problems.

Fisker had received $192 million in federal loans before a series of problems led U.S. officials to freeze the loan in 2011.

In a statement Monday, the Energy Department said it recovered $21 million from the company's reserve account on April 11 as it continues to seek repayment from the car maker for a 2009 loan commitment awarded by the Energy Department. A payment from Fisker was due Monday, but was not made, a DOE official said.

The payment deadline, combined with the company's financial woes, had increased speculation that Fisker would file for bankruptcy as soon as Monday. No bankruptcy filing had occurred by late in the day.

The DOE awarded the Anaheim, California-based company a $529 million loan as part of an Obama administration program to boost electric cars and other advanced vehicles. Fisker pledged its assets as collateral on that loan.

A DOE spokeswoman called the financial seizure appropriate and noted that safeguards were written into the loan agreement. Combined with the 2011 action to freeze the loan, the DOE has protected more than two-thirds of its original loan commitment, spokeswoman Aoife McCarthy said.

"While this is a hard time for the company's employees and investors, our overall portfolio of more than 30 projects continues to perform well and more than 90 percent of the $10 billion loan loss reserves Congress established remains intact," McCarthy said.

The Energy Department has been criticized for failing to protect taxpayers from a failed $529 million loan to solar panel maker Solyndra, which went bankrupt in 2011 and laid off 1,100 workers.

Fisker, maker of the $100,000-plus Karma hybrid sports car, has not built a vehicle since last summer and has failed to secure a buyer as its cash reserves have dwindled.

A company spokesman declined to comment Monday.

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