



# Did Obama Vote “Present” On Solyndra?

*The Obama Administration Has Claimed The Solyndra Loan Was Made On The Merits But Did Obama Blow Off Evidence To The Contrary?*

**Obama: “The Process By Which The Decision Was Made Was On The Merits.”** OBAMA: “There were going to be some companies that did not work out; Solyndra was one of them. But the process by which the decision was made was on the merits. It was straightforward.” (President Barack Obama, [News Conference](#), Washington, D.C., 10/6/11)

## OBAMA SHOULD HAVE KNOWN ABOUT THE “DEEP RESERVATIONS” SURROUNDING THE SOLYNDRA LOAN

**White House Office Of Management And Budget (OMB) Had “Deep Reservations” About The Solyndra Loan.** “The emails also show deep reservations from analysts at the Office of Management and Budget about the decision to loan \$535 million to Solyndra -- reservations that have since been justified.” (Matthew Mosk and Ronnie Greene, “Obama On Solyndra: ‘Hindsight Is Always 20/20,’” [ABC News](#), 10/3/11)

- **March 10, 2009: White House Budget Analyst Said Solyndra Is “NOT Ready For Prime Time”** “‘This deal is not ready for prime time,’ one White House budget analyst wrote in a March 10, 2009 email, nine days before the administration formally announced the loan.” (Matthew Mosk, Brian Ross and Ronnie Greene, “Emails: Obama White House Monitored Huge Loan To ‘Connected’ Firm,” [ABC News & iWatch](#), 9/13/11)
- **August 31, 2009: When Pressured By White House Chief Of Staff Rahm Emanuel’s Office, OMB Staff Responded: “I Would Prefer That This Announcement Be Postponed. ... This Is The First Loan Guarantee And We Should Have Full Review With All Hands On Deck To Make Sure We Get It Right.”** “In one e-mail, an assistant to Rahm Emanuel, then White House chief of staff, wrote on Aug. 31, 2009, to OMB about the upcoming Biden announcement on Solyndra and asked whether ‘there is anything we can help speed along on OMB side.’ An OMB staff member responded: ‘I would prefer that this announcement be postponed. ... This is the first loan guarantee and we should have full review with all hands on deck to make sure we get it right.’” (Joe Stephens and Carol D. Leonnig, “White House Pressed On \$500 Million Loan To Solar Company Now Under Investigation,” [The Washington Post](#), 9/13/11)

**Obama’s Energy Department Knew In August Of 2009 That Solyndra Would Run Out Of Money In**

**September 2011, Leaving “Taxpayers On The Hook For A Business Likely To Flounder.”** “On August 20, 2009, an Energy Department staffer examining a pending loan to a California clean energy start-up came to a startling conclusion: The company would run out of money by September 2011. The government would, in effect, be placing taxpayers on the hook for a business likely to founder.” (Ronnie Greene and Matthew Mosk, “Obama Administration Agreed To Solyndra Loan Days After Insiders Foresaw Firm’s Failure,” [iWatch](#), 9/14/11)

**With Its Observer Status At Board Meetings, Obama’s Energy Department May Have Known The Troubled State Of Solyndra’s Finances And Kept Quiet.** “As part of the restructuring, DOE started sending a representative to sit in on board meetings of Solyndra, *ABC* and *iWatch News* reported. ‘As one of the conditions for agreeing to approve the restructuring of the loan, the Department gained observer status on the Solyndra board,’ LaVera wrote in response to questions last week. Beyond confirming its ‘observer status,’ Energy Department officials did not answer questions about how many meetings officials attended, what they learned – and what they did about it. Still, the status is significant. It means that, in the months leading to Solyndra’s implosion, the Energy Department paid particularly close interest. If it saw problems privately, it was not sharing them publicly.” (Ronnie Greene, “Recurring Red Flags Failed To Slow Obama Administration’s Race To Help Solyndra,” [iWatch News](#), 9/13/11)

### ***The Obama Administration Lacked “Due Diligence” In Investigating Solyndra***

**“At Least Three Reports” Warned The Obama Administration That The Energy Department Did Not Have “The Controls Needed To Manage” Solyndra.** At least three reports by federal watchdogs over the past two years warned that the Energy Department had not fully developed the controls needed to manage the multibillion-dollar loan program that provided more the loan to Solyndra Inc., a now-bankrupt solar panel manufacturer.” (Matthew Daly, “White House Worried About Solyndra Default,” [The Associated Press](#), 9/15/11)

**Auditor PricewaterhouseCoopers Said It Had “Substantial Doubt” About Solyndra’s “Ability To Continue.”** “A report last year by auditor PricewaterhouseCoopers said Solyndra had suffered recurring losses from operations and negative cash flows, raising ‘substantial doubt about its ability to continue as a going concern.’” (Matthew Daly, “White House Worried About Solyndra Default,” [The Associated Press](#), 9/15/11)

**Government Accountability Office: “The Administration Didn’t Do Its Due Diligence” When Celebrating The \$535 Million In Taxpayer Guaranteed Loans For Solyndra.** “It’s not his statements the administration will regret; it’s the loan guarantees. The President was celebrating \$535 million in federal promises from the Department of Energy to the solar startup. The administration didn’t do its due diligence, says the Government Accountability Office. ‘There’s a consequence if you don’t follow a rigorous process that’s transparent,’ Franklin Rusco of GAO told the website *iWatch News*.” (Scott McGrew, “Solyndra Filing A Disaster For Obama,” [NBC Bay Area News](#), 8/31/11)

- **Solyndra Was One Of Five Companies The Energy Department Failed To Properly Assess, Leaving The GAO “Greatly Concerned.”** “Government auditors are questioning whether the administration may have made other bad bets on clean energy. Frank Rusco, a Government Accountability Office director who helped lead a review of the Solyndra loan and the Energy Department’s loan guarantee program, said GAO remains ‘greatly concerned’ by its 2010 finding that the agency agreed to back with loans five companies without properly assessing their failure risks. The companies were not identified in the report, but the agency has since acknowledged that Solyndra was one.” (Carol Leonnig, “After Solyndra Failure, Auditors Wonder What Other Bad Bets Obama Officials Made,” [The Washington Post](#), 9/1/11)

**The Energy Department’s Then-CFO Isakowitz “Admitted That His Monitoring Is Currently Inadequate So He Wouldn’t Know If Things Were Indeed Deteriorating.”** “Solyndra’s filing set off

alarm bells in the CFO's office at DOE. Then-CFO Isakowitz emailed the Director of DOE's Office of Risk Management on April 9 and noted that he had met with the Executive Director of the DOE LPO, Jonathan Silver, about the amended S-1. While Mr. Silver had informed him that it was 'expected,' Mr. Isakowitz stated that he admitted that his monitoring is currently inadequate so he wouldn't know if things were indeed deteriorating.'" ("The Solyndra Failure," [Committee On Energy And Commerce](#), U.S. House Of Representatives, 8/2/12, p. 48)

## WHAT WERE THE MERITS OF "A BAD EGG WITH A BAD BUSINESS PLAN"?

### ***The Washington Post's FactChecker: Solyndra's Failure "Should Not Have Been Such A Surprise."***

"Chu's comments on the unexpected 'tsunami' that hit Solyndra are also troubling. The OMB e-mail shows that at least one arm of the government was aware that Wall Street was quickly souring on solar energy and that the tsunami that swept the industry should not have been such a surprise." (Glenn Kessler, "Steven Chu's Solyndra Testimony," *The Washington Post's "The Fact Checker."* 11/18/11)

- ***The Washington Post: "In Fact, The Administration Knew, Or Should Have Known, Of These Threats To Solyndra's Business Model Before The Loan Closed In September 2009."*** (Editorial, "The Energy Department's Loan Guarantee Program Is The Real Solyndra Scandal," [The Washington Post](#), 11/17/11)

**Industry Officials Say Solyndra Was "A Bad Egg With A Bad Business Plan."** "Solar and wind industry officials insist Solyndra — the recipient of \$535 million in federal loan guarantees and a personal visit from President Barack Obama — is just a bad egg with a bad business plan." (Darren Samuelsohn, "Solyndra Scandal A PR Nightmare," [Politico](#), 9/12/11)

- **The Non-Partisan Congressional Research Service (CRS) Found "Warning Signs" With Solyndra Prior To Its Federal Loan Guarantee.** "Warning signs emerged that Solyndra LLC's competitive edge was eroding before the solar-panel maker received a federal loan guarantee, according to a congressional report." (Ryan Tracy, "Red Flags Raised About Solyndra Before Loan Guarantee," [The Wall Street Journal](#), 9/27/11)

### **In 2008, Solyndra Received "Non-Investment Grade Ratings" From Outside Agencies Such As Fitch.**

"First signs came in 2008, as Solyndra, then just three years old, pushed ahead with its application for government backing to build a new plant to produce its unique solar panels. An outside rating agency, Fitch, gave Solyndra a B+ credit rating that August. Two months earlier, in June 2008, Dun & Bradstreet issued a credit appraisal of the company. Its assessment: 'Fair.' Those are not top of the line scores. Fitch Ratings spokeswoman Cindy Stoller said she could not discuss the Solyndra review specifically, but said of a B+ rating: 'It's a non-investment grade rating.'" (Ronnie Greene, "Recurring Red Flags Failed To Slow Obama Administration's Race To Help Solyndra," [iWatch News](#), 9/13/11)

- **By March 2009, Market Players Knew Solyndra's Business Model Was Unsustainable.** "By March 2009, however, when the Solyndra loan won conditional approval from the Energy Department, silicon prices had cratered — and stayed low through the loan's closing in September 2009 and its restructuring by the Energy Department in 2011. This was no unforeseeable surprise. Savvy market players saw it coming. The silicon glut — compounded by a global credit crunch — explains why Solyndra was finding private capital harder to raise before the Energy Department stepped in." (Editorial, "Solyndra: A Bad Bet Obama Should Regret," [The Washington Post](#), 10/6/11)
- **In September 2009, Solyndra's Costs To Produce Solar Panels Was More Expensive Than Its Competitors.** "The report said that in September 2009, Solyndra's solar panels cost more to make than its competitors and that hadn't changed by 2011, even though both Solyndra and its competitors had cut costs. The company had hoped to drive down costs even more by scaling up

its operation with the new factory that it built with government backing.” (Ryan Tracy, “Red Flags Raised About Solyndra Before Loan Guarantee,” [The Wall Street Journal](#), 9/27/11)

**In 2010, Solyndra’s Own Auditors Stated That “The ‘Company Ha[d] Suffered Recurring Losses From Operations, Negative Cash Flows Since Inception And Ha[d] A Net Stockholders’ Deficit That, Among Other Concerns, Raise[d] Substantial Doubt About Its Ability To Continue.”** “Nonetheless, on March 16, 2010, Solyndra’s auditors, PricewaterhouseCoopers (PwC), filed an addendum to Solyndra’s S-1 registration with the Securities and Exchange Commission (SEC). In it, the auditors stated that the ‘Company ha[d] suffered recurring losses from operations, negative cash flows since inception and ha[d] a net stockholders’ deficit that, among other concerns, raise[d] substantial doubt about its ability to continue as a going concern.’” (“The Solyndra Failure,” [Committee On Energy And Commerce](#), U.S. House Of Representatives, 8/2/12, p. 48)

**Solar CEO Joel Cannon: Solyndra Failed Because “Its Product Cost Was Far Too High And Its Performance Far Too Low, And Everyone Who Knew The Solar Business Knew This”.** “According to a letter Joel Cannon, the chief executive officer of TenKsolar Inc., a Solyndra competitor, wrote to the Wall Street Journal, Solyndra failed not because of ‘cheap capital provided to Chinese solar companies by their government’ making for stiff competition for the U.S. solar industry -- as the company would have one believe -- but because ‘its product cost was far too high and its performance far too low, and everyone who knew the solar business knew this.’” (William D. Cohan, “Solyndra Failure Hits Goldman’s Reputation,” [Bloomberg](#), 9/25/11)

**Ex-Solyndra Employee: “Everyone Knew It Wouldn’t Work.”** “While we were out there, while we were building it – because it is a half a billion dollar plant – everyone already knew that China had developed a more inexpensive way to manufacture these solar panels. Everyone knew that the plant wouldn’t work. But they still did it. They still built it.” (Mark Levin, “Ex-Solyndra Employee: ‘Everyone Knew The Plant Wouldn’t Work’,” *Fox News Radio’s* [“Fox Nation.”](#) 9/15/11)

- **Ex-Solyndra Employee:** “Supposedly, it was one of those things that the money was already there. They were going to use it. They were actually supposed to build two and only one was ever done because I think they actually realized it wasn’t going to work.” (Mark Levin, “Ex-Solyndra Employee: ‘Everyone Knew The Plant Wouldn’t Work’,” *Fox News Radio’s* [“Fox Nation.”](#) 9/15/11)
- **Ex-Solyndra Employee:** “Well, you know it didn’t keep very many people working very long. It was a fast paced, very quick construction job.” (Mark Levin, “Ex-Solyndra Employee: ‘Everyone Knew The Plant Wouldn’t Work’,” *Fox News Radio’s* [“Fox Nation.”](#) 9/15/11)

## RECENTLY REVEALED EMAILS SHOW THE WHITE HOUSE WAS WARNED THAT RESTRUCTURING SOLYNDRA’S LOAN WOULD COST TAXPAYERS EVEN MORE

**Fouad Saad, Program Examiner Energy Branch At The Office Of Management And Budget Said There Was A “Good Chance” Solyndra Would Not Avoid Default By Restructuring.** “Given the PR and policy attention Solyndra has received since 2009, the optics of a Solyndra default will be bad whenever it occurs. While the company *may* avoid default with a restructuring, there is also a good chance it will not.” (Fouad Saad, Program Examiner, Energy Branch, [Email To Kevin Carrol And Kelly Colyar](#), f 662, 1/31/11)

**In January 2011, OMB Analyst Kelly Colyar Concluded That Restructuring The Loan Would Double The Taxpayers’ Loss.** “Documents show that in January 2011, when Solyndra was in technical default on its loan, OMB analyst Kelly Colyar concluded that if the company were immediately liquidated, taxpayers would lose \$141 million. If the loan were restructured and more money were released to Solyndra, she estimated, a subsequent default would cost taxpayers \$385 million. The loss was attributable in part to allowing private investors to recover some of their money first.” (Joe Stephens and Carol Leonnig, “White House Analyst Warned Saving Solyndra Could Cost More Than Letting It Fail,” [The Washington Post](#), 8/1/12)



- **Colyar Warned Taxpayers Would Lose \$385 Million If Solyndra Defaulted On The Restructured Loan Versus \$141 Million If They Were Allowed To Liquidate.** (Kelly T. Colyar, [Email To Fouad Saad et.al.](#), f. 631, 1/4/11)

**According To Kelly Colyar Of The OMB, Then White House Chief Of Staff Bill Daley Had Been Briefed About OMB's "Reservations About The Prospects Of The Company And DOE's Proposal" To Restructure The Solyndra Loan.** "You may recall that DOE announced in March that they had restructured the Solyndra loan. Prior to this restructuring, OMB staff expressed reservations about the prospects of the company and DOE's proposal. The issue was discussed with the NEC and the Chief of Staff." (Kelly T. Colyar, [E-mail To Richard A. Mertens Et. Al.](#), f. 732, 8/11/11)

**OMB Analyst Colyar Was "Vastly Confused By DOE's Decision To Negotiate Away Their Senior Position" In Solyndra Restructuring.** "of 2005. Mr. Carroll stated that '[t]here are some questions at the staff level about how DOE is going about the restructuring for Solyndra. At least one involves the legal question of what 1703(d)(3) means for their plan to make some of the debt 'junior' to the new debt. . . I think they have stretched this definition beyond its limits.' Like Ms. Colyar, other OMB staff questioned DOE's analysis that the restructuring would improve the government's recoveries. One OMB staff member in the budget division stated that she 'wonder[ed] whether this workout is really giving more to the parent [Solyndra, Inc.] than recovering for DOE.' Ms. Colyar also questioned how the subordination would impact DOE's recoveries and why DOE felt forced to subordinate its interest given the fact that Solyndra was already in default under the original agreement for failing to fund the Equity Funding or Cost Overrun Account. She believed DOE had 'the upper hand' since they could 'call a default at any point,' so was "vastly confused by DOE's decision to negotiate away their senior position in this transaction," because doing so would "displac[e] DOE's potential for recoveries.'" ("The Solyndra Failure," [Committee On Energy And Commerce](#), U.S. House Of Representatives, 8/2/12, pps 87-89)

**Though Default Was Imminent, Secretary Chu Signed Off On Solyndra's Restructure As A "Modification" Which Did Not Need OMB Scoring.** "Even though OMB had not informed DOE of its decision, Secretary Chu signed the Action Memorandum authorizing the Solyndra restructuring on February 18, 2011. On February 22, 2011, the LPO Chief Counsel's office contacted Mr. Silver and asked whether he or 'someone at a senior DOE level confirmed (with OMB) that the restructuring is a 'workout' and not a 'modification'?' Mr. Silver responded that he thought DOE staff had resolved the matter, but Ms. Nwachuku explained that she had 'sent emails and placed calls' to OMB, and that during DOE's most recent conversation, OMB had "concluded that a modification scoring was not required . . . ." ("The Solyndra Failure," [Committee On Energy And Commerce](#), U.S. House Of Representatives, 8/2/12, p. 102)