



Spotlight Is On Solyndra

One Year After Declaring Bankruptcy, The Solyndra Scandal Continues

"Solyndra Filed For Bankruptcy On Sept. 6, 2011." (Jim Snyder and Brian Wingfield, "Solyndra Funds Mostly Lost to Taxpayers, Chu Tells Lawmakers," [Bloomberg Businessweek](#), 11/22/11)

OBAMA GAVE \$535 MILLION OF TAXPAYER FUNDS TO SOLYNDRA DESPITE SERIOUS QUESTIONS ABOUT ITS VIABILITY

"Solyndra Was The Epitome Of What The Government Envisioned To Be Our Green Tech Future." (David Louie, "Fremont Solar Panel Maker Solyndra Scales Back Expansion Plans," [The Oakland Tribune](#), 11/4/10)

"Solyndra, A Solar-Panel Maker That Went Bankrupt In August With \$535 Million In Federally Backed Loans, Was Riskier Than Many Other Proposals, Industry Executives Say." (Steven Mufson And Carol D. Leonning, "Some Clean-Energy Firms Found US Loan-Guarantee Program A Bad Bet," [The Washington Post](#), 9/26/11)

- **FLASHBACK:** In March 2009, Solyndra Was Offered The First Recovery Act Loan Guarantee, Receiving \$535 Million Of Taxpayer Dollars. "Solyndra, Inc. announced today that it is the first company to receive an offer for a U.S. Department of Energy (DOE) loan guarantee under Title XVII of the Energy Policy Act of 2005. Solyndra, a Fremont, California-based manufacturer of innovative cylindrical photovoltaic systems, will use the proceeds of a \$535 million loan from the U.S. Treasury's Federal Financing Bank to expand its solar panel manufacturing capacity in California." (Solyndra, "Solyndra Offered \$535 Million Loan Guarantee By The U.S. Department Of Energy," [Press Release](#), 3/20/09)

Obama's Energy Department Announced The Loan Guarantee Before Receiving Final Legal Reviews, Which The GAO Said "Showed Favoritism And Put Taxpayers At Risk." "The department made the announcement before final marketing and legal reviews were in hand – an omission Government Accountability Office auditors chided, in a 2010 report, as the type of shortcut that showed favoritism and put taxpayers at risk." (Ronnie Greene, "Recurring Red Flags Failed To Slow Obama Administration's Race To Help Solyndra," [iWatch News](#), 9/13/11)

- **FLASHBACK:** In August 2009, The White House Pressured OMB On The Loan, Asking What Could Be Done To "Help Speed Along" The OMB Review. "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)

AFTER OBAMA’S SWEETHEART DEAL WITH SOLYNDRA WENT BUST, TAXPAYERS ARE LEFT HANGING

A Total Of 1,861 Workers Were Laid Off By Solyndra As It Went Bankrupt. “Since September 1, 2010 (impact date), an estimate 1,861 workers have been separated from the firm. This total includes an estimated 649 temporary workers as well as leased workers from West Valley, Aerotek, Oxford Global, GES and Lighthouse Management. Most of these separations occurred at the time of the shut-down of the Fremont, CA facility on August 31, 2011. An additional 85 workers are threatened with separation as the company’s operations wind down.” (Employment And Training Administration, “Investigative Report TA-W-80,410; Solyndra LLC,” [Department Of Labor](#), 9/12/11)

“Solyndra’s Final Liquidation Plan Estimated That The Government Will Recover Just \$24 Million Of The \$527 Million That Taxpayers Lent To The Company” Because The Restructuring Loan From Obama Specifically “Put Private Investors Ahead Of Taxpayers.” “Even so, senior officials in the White House’s Office of Management and Budget did not discourage the Energy Department from proceeding with its plan to restructure a federal loan to Solyndra — a move that put private investors ahead of taxpayers for repayment if the company closed, the investigation by Republicans on the House Energy and Commerce Committee found. The restructuring went forward, but within months Solyndra failed anyway, leaving federal taxpayers on the hook for much of the half-billion-dollar federal loan. Now, a year after the company’s collapse, debate continues over whether the refinancing plan was legal or a wise investment. Last week, Solyndra’s final liquidation plan estimated that the government will recover just \$24 million of the \$527 million that taxpayers lent to the company.” (Joe Stephens and Carol Leonnig, “White House Analyst Warned Saving Solyndra Could Cost More Than Letting It Fail,” [The Washington Post](#), 8/1/12)

Seagate Technology Will Pay \$90.3 Million For Solyndra’s Building, Which Was Financed By Taxpayers. Seagate Technology Plc (STX.O), maker of hard drives and storage devices, has agreed to pay \$90.3 million for the former manufacturing plant and headquarters building of bankrupt Solyndra LLC, which was financed by a controversial government loan, according to bankruptcy court documents.” (Ilaina Jonas, “Seagate Offers \$90.3 Million For Solyndra Property: Court Filing,” [Reuters](#), 8/24/12)

After Closing The Plant Last August, Solyndra Has Since Auctioned Off Most Of The Plant’s Equipment. “Solyndra received \$528 million in federal stimulus funds to build the facility, which made tube-shaped solar cells. But the plant closed last August as the company tumbled into bankruptcy, costing more than 1,100 people their jobs. Most of the plant’s equipment has already been auctioned off.” (David Baker, “Solyndra Facility May Be Sold To Seagate,” [San Francisco Chronicle](#), 8/22/12)

- **Solyndra’s Glass Tubes Are Being Used For An Art Exhibit In Berkeley.** REPORTER: “Tucked into the Berkley hills in an oasis of greenery is UC Berkley’s Botanical Garden. Twelve thousand varieties of plants spread over 3,400 acres set far away from controversy, but when architect Ronald Rael created an art installation here from glass tubes he had no idea they’d end up lightning rods in a political sparring match.” RAEL: “Our inspiration was partly a pound of material which is 1,368 glass tubes left over from the Solyndra bankruptcy.” REPORTER: “When Fremont-based solar company, Solyndra went bankrupt last year it left behind 24 million specially made glass tubes in a San Jose warehouse. Rael figured they’d be perfect for art installation in the garden’s new natural discourse exhibit.” ([KNTV](#), 8/23/12)

THE \$535 MILLION SOLYNDRA LOAN WAS RIDDLED WITH PROBLEMS AND OBAMA KNEW IT

Energy Department Emails Released Show That Obama Was To Be Briefed On DOE Loan Programs Like Solyndra And That White House Officials Were Intimately Involved With These Sweetheart Deals. “President Obama’s staff arranged for him to be personally briefed last summer on a loan program to help clean-energy companies, two months before the program was thrust into headlines by the collapse of its flagship, the solar company Solyndra, records show. About the same time, then-White House Chief of Staff William Daley resolved a dispute among administration officials over another project in the program, clearing the way for a \$1.4 billion loan, according to documents and sources familiar with the situation. The documents, a series of e-mails among Energy Department staff members involved in managing the program, provide new details about the level of White House involvement in the controversial initiative. White House officials have said in the past that final decisions about which companies would receive the loan guarantees were made by career staff members at the Energy Department, not political appointees.” (Carol Leonnig and Joe Stephens, “E-Mails About Clean-Energy Loans Provide New Details On White House Involvement,” [The Washington Post](#), 8/8/12)

- **Obama Wanted To Know Status Of Loans Like Solyndra In Preparation For “Official Events And Political Events Where He Interacts With [The] Business Community And Congressional Members.”** “An Energy staffer explained that the president ‘wants to know its status’ so he could be prepared when the loan program came up ‘at official events and political events where he interacts with [the] business community and Congressional members.’ The e-mail from the department’s chief of staff, Brandon Hurlbut, went on to say that many people attending such gatherings ‘have some affiliation or interest in the numerous applications received that involve substantial funds.’” (Carol Leonnig and Joe Stephens, “E-Mails About Clean-Energy Loans Provide New Details On White House Involvement,” [The Washington Post](#), 8/8/12)

OMB Analyst Kelly Colyar’s Emails Noted “That The Energy Department Appeared To Be Giving Away Its ‘Upper Hand’” For The Taxpayer-Backed Loan. “Colyar said in e-mails that the Energy Department appeared to be giving away its ‘upper hand’ in financing negotiations with private investors, creating additional risk. At the time, Solyndra had failed to meet the terms of its loan and was on the edge of bankruptcy because disbursements from the loan had been frozen. Colyar said in one e-mail that she was ‘vastly confused by DOE’s decision to negotiate away their senior position in this transaction.’ She also questioned whether the Energy Department underestimated how much taxpayers could recoup if the company were shut immediately and its California factory sold. The proceeds of an immediate sale would be ‘significantly HIGHER than DOE’s estimate,’ she wrote in a January 2011 e-mail, meaning that the government ‘is better off liquidating the assets today than restructuring under DOE’s proposal.’” (Joe Stephens and Carol Leonnig, “White House Analyst Warned Saving Solyndra Could Cost More Than Letting It Fail,” [The Washington Post](#), 8/1/12)

Obama’s Current White House Chief Of Staff And Then-OMB Director Jack Lew Allowed Solyndra’s Refinancing To Continue Despite Warnings From OMB Analysts That The Plan “Might Violate The Law.” “The House energy committee is expected to release the results of its 18-month investigation into Solyndra this week. Its report, parts of which were obtained by The Washington Post, suggests that then-OMB Director Jack Lew let the refinancing move forward without intervening, even though some OMB analysts thought a refinancing plan that favored private investors might violate the law. Lew is now White House chief of staff.” (Joe Stephens and Carol D. Leonnig, “White House Analyst Warned Saving Solyndra Could Cost More Than Letting It Fail,” [The Washington Post](#), 8/1/12)

Taking A Backseat, Obama Had Three Years To Stop The Solyndra Scandal

“Time And Again, The Government Handed Breaks To Solyndra Inc., An Upstart California Solar Panel Firm Backed By A Major Supporter Of The President.” (Ronnie Greene, “Recurring Red Flags Failed To Slow Obama Administration’s Race To Help Solyndra,” [iWatch News](#), 9/13/11)

- **“And, Time And Again, Benefits Flowed From Washington Despite Warning Signs That The Government’s \$535 Million Investment Was A Risky Bet, At Best.”** (Ronnie Greene, “Recurring Red Flags Failed To Slow Obama Administration’s Race To Help Solyndra,” [iWatch News](#), 9/13/11)

In 2008, Solyndra Received “Non-Investment Grade Ratings” From Outside Rating 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)

In March 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)

In August 2009, Obama’s Energy Department Knew 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)

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 October 2010, Obama Advisors Drafted A Memo Urging Obama To Fix The “Broken Process” For Energy Department’s Loan Approval. “In late October 2010, administration officials took their opposing views directly to Obama. In preparation, a memo was drafted by Summers, who remained wary of the program, and two others who were more supportive: then-energy advisor Carol Browner and Ron Klain, then chief of staff to Vice President Joseph Biden. The memo laid out their different concerns and options to fix a ‘broken process’ for getting loans approved.” (Tom Hamburger, Kim Geiger And Matea Gold, “Obama Advisors Raised Warning Flags Before Solyndra Bankruptcy,” [Los Angeles Times](#), 9/26/11)

In January 2011, When Solyndra Was In “Technical Default,” OMB Analyst Kelly Colyar Concluded That Restructuring The Loan Would Double The Taxpayers’ Loss Than If Solyndra Were Immediately Liquidated. “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)

Later In January 2011, Obama's Energy Department Gave Solyndra More Time To Repay The Taxpayer Funded Loan. "In an email yesterday, an Energy Department spokesman said the government 'restructured the debt to give Solyndra more time to repay and avoid default—much like commercial lenders do when a homeowner is having trouble making the mortgage payments.'" (Editorial, "The Solyndra Scandal," [The Wall Street Journal](#), 9/9/11)

In August 2011, Solyndra Announced That It Will File For Bankruptcy, "Immediately Laying Off 1,100 Employees." "Solyndra, a Fremont solar tech manufacturer, announced Wednesday it is suspending operations and immediately laying off 1,100 employees. The company said it will also file for bankruptcy." (George Avalos, "Fremont Solar Tech Firm Solyndra To Shut Down, Lay Off 1,100 Workers," *The San Jose Mercury News*, 8/31/11)

On September 8, 2011, "The Federal Bureau Of Investigation Executed A Search Warrant At Solyndra, Bureau Spokeswoman Julie Sohn Said In An Interview." (Jim Snyder, "FBI Raids Bankrupt Solyndra As Lawmakers Question Panel Maker's Finances," [Bloomberg](#), 9/9/11)

Later In September 2011, An Obama White House Spokesman Still Said Solyndra "Was A Worthy Investment In A Company Many Saw As Promising." "A White house spokesman says no political influence was involved here, that this was a worthy investment in a company many saw as promising. And, he says, just because this company failed, we can't stop investing in new technologies critical to American leadership in a global economy." (Martin Wolk, "White House Ignored Red Flags In Loan To Failed Solar Company," *MSNBC's "The Bottom Line"*, 9/14/11)