



Written by [Brian Koenig](#) on September 15, 2011

## House Republicans Question Solyndra Loan Guarantees

A U.S. House committee reported that President Obama's aides pressed White House budget officials to review a \$535 million federal loan guarantee to Solyndra, a failed solar-maker manufacturer that recently filed for bankruptcy protection. Republicans on a House Energy subcommittee released internal administration documents Wednesday revealing an attempt to expedite completion of the loan package so that Vice President Joe Biden could publicly announce the plan at a company event two years ago.



The report, which included findings of a seven-month investigation, was released before two administration officials were grilled about White House support to risk hundreds of millions of dollars of taxpayers money for a speculative investment in energy technology. The Department of Energy and the Office of Management and Budget (OMB) "did not take adequate steps to protect taxpayer dollars," read the report. "This was a half-billion-dollar mistake," asserted Rep. Brian Bilbray (R-Calif.).

Shortly after Solyndra shut down its operations, which resulted in 1,100 immediate layoffs, the FBI raided the companys headquarters, because of allegations that executives knowingly misled the government to swindle more than \$500 million in federal loan guarantees. Around the time of the raid, *The Daily Caller* [learned](#) that Solyndra representatives and investors visited the White House on numerous occasions to meet with administration officials. Among the White House visitors was Oklahoma billionaire George Kaiser, a prominent investor in the company and a fundraiser who raised in between \$50,000 and \$100,000 for Obamas 2008 presidential campaign.

President Obama, among others in his administration, has been a vocal cheerleader for the solar technology company, as *The New American* [reported](#) earlier this month:

President Obama visited the [Solyndra] facility last year and applauded employees for their rich contributions to America's prosperity: "It is just a testament to American ingenuity and dynamism and the fact that we continue to have the best universities in the world, the best technology in the world, and most importantly the best workers in the world. And you guys all represent that." The President branded the company as a poster child for clean energy, asserting, "Companies like Solyndra are leading the way toward a brighter and more prosperous future."

Documents retrieved during the investigation "raise troubling questions" about whether the OMB staff "was rushed to complete its review of the Solyndra loan guarantee by Sept. 4, 2009, in time for a groundbreaking event organized at Solyndras facilities organized by the White House," the report noted.

During Wednesdays hearing, the Obama administration offered a new defense at least, "new" in terms of the Solyndra debacle and that is to blame George W. Bush. "My understanding is that Solyndra applied for this loan in 2006 when Bush was President," [argued](#) Rep. Henry Waxman (D-Calif.). "All this took place during the Bush Administration." The Department of Energy "did not reject the loan, but



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remanded it back for further analysis,” echoed Jonathan Silver of the Energy Department, in an exhausted attempt to parry accusations from Republicans.

But GOP lawmakers shot down their defense, asserting that the Obama administration urged the loans approval for a public relations boost. “The review process took a back seat to the need to set up a photo-op for the Vice President and other Administration officials,” Rep. Cliff Stearns (R-Fla.) suggested. Stearns also noted that “only after the Obama administration took control, and the stimulus passed, was the Solyndra deal pushed through.”

The committee report discovered that the average review time for loan guarantee approvals after Sept. 1, 2009 was 28 days, but that the Solyndra review, from the Energy Departments first introduction to the OMB, was only nine days. In an e-mail on March 10, 2009, early in the loan approval process, an OMB official wrote a colleague, “This deal is NOT ready for prime time.”

Silver, Waxman, and other Democrats and White House officials argued that the loan was vital to effectively compete with countries like China, where companies are flooded with massive government subsidies and private investments. “The question is whether we are willing to take on this challenge, or whether we will simply cede leadership in clean energy to other nations and watch as tens of thousands of jobs are created overseas,” protested Silver. “Its a disappointing outcome, but it comes with the terrain of backing innovative technology,” said deputy director of the OMB Jeffrey Zients.

Indeed, part of the administrations defense is that unforeseen market factors, such as stiff Chinese competition and bleak market conditions, prevented the administration from predicting Solyndras demise. But Republicans argue that such outcomes *should* have been predicted, particularly when pursuing the manufacturing of unprecedented technology and producing it in a volatile and cutthroat market.

The claim that Solyndra did not receive special treatment is a rather bold assertion, as many critics believe the investment was littered with red flags from the start. Earlier this month ABC News and iWatch News uncovered that the company benefited from a rock-bottom interest rate of one to two percent, even as an outside rating agency, Fitch Rating, [scored](#) Solyndra as a B+ investment meaning, it was “speculative.” This of course breeds the question: Why would the government risk more than \$500 million of taxpayers money to back a “speculative” investment?

*Photo: Solyndra workers leave Solyndra in Fremont, Calif., Aug. 31, 2011: AP Images*



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