

White House Ignored Warnings About Solar Company

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White House officials discussed the political ramifications of a possible default by a troubled solar energy company that received more than \$500 million in federal loans, newly released emails show.

Emails released Thursday night show that Obama administration privately worried about the effect of a default by Solyndra Inc. on the president's re-election campaign.

"The optics of a Solyndra default will be bad," an official from the Office of Management and Budget wrote in a Jan. 31 email to a senior OMB official. "The timing will likely coincide with the 2012 campaign season heating up."

The email, released by the House of Representatives Energy and Commerce Committee as part of its investigation into the Solyndra loan, showed that Obama administration officials were concerned about Solyndra's financial health even as they publicly declared the solar panel maker in good shape.

Solyndra, which received \$528 million in federal loans under the stimulus law, declared bankruptcy late last month and laid off 1,100 workers.

The Silicon Valley company was the first renewable-energy company to receive a loan guarantee under the 2009 stimulus law, and the Obama administration frequently touted Solyndra as a model for its clean energy program. President Obama visited the company's California headquarters last year.

Even as Obama praised the company's plans to hire more than 1,000 workers, warning signs were being sent from within the government and from outside analysts who questioned Solyndra's viability as a "going concern."

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.

Emails obtained by The Associated Press show that a White House official dismissed reports about Solyndra's gloomy future. An email from Greg Nelson, a White House official who had been involved in the planning of Obama's May 2010 trip to Solyndra's headquarters, to a Solyndra executive downplayed a July 2010 news story in a trade publication that criticized the company's financial health.

White House spokesman Jay Carney said the White House did not influence the Solyndra loan, which he said was made on "a merit-based process" by the Department of Energy.

"There's no evidence that the White House was involved in the loan," Carney said Thursday. Emails that show White House officials pressuring the administration's budget office about the loan were about scheduling, he said.

"The White House was involved in trying to find out when a decision would be made, so ... staff here could make a decision about the vice president's having an event" at Solyndra headquarters in September 2009, Carney said.

The FBI recently raided Solyndra's headquarters, shortly after the company filed for bankruptcy and laid off 1,100 workers.

A U.S. official, who spoke on condition of anonymity because the case under seal, said the search was related to a fraud investigation into whether Solyndra filed inaccurate documents with the government.

Meanwhile, the Treasury Department's inspector general said Thursday it has opened an investigation into the Solyndra loan.

