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## **Obama fundraiser linked to loan program that aided Solyndra**

**The revelation is likely to spur new inquiries about the solar company's political influence. Separately, California lawmakers seek investigation of a state tax break the firm received.**

By Matea Gold and Stuart Pfeifer, Los Angeles Times

7:59 PM PDT, September 16, 2011

Reporting from Washington and Los Angeles

The White House faced mounting political complications as a second top fundraiser for President Obama was linked to a federal loan guarantee program that backed a now-bankrupt Silicon Valley solar energy company, and as two California lawmakers called for investigations of a state tax break granted to the firm.

Steve Spinner, who helped monitor the Energy Department's issuance of \$25 billion in government loan guarantees to renewable energy projects, was one of Obama's top fundraisers in 2008 and is raising money for the president's 2012 reelection campaign.

Spinner did not have any role in the selection of applicants for the loan program and, in fact, was recused from the decision to grant a \$535-million loan guarantee to Solyndra Inc. because his wife's law firm represented the company, administration officials said Friday.

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### **FOR THE RECORD:**

Solyndra: An article in the Sept. 17 Section A said the Energy Department job of Steve Spinner, a major fundraiser for President Obama's 2008 campaign, "had not been previously revealed." The Center for Public Integrity's iWatch News reported Spinner's job in a story in June. The Times was the first to report that as part of that job, which involved giving financial support to renewable energy companies, Spinner monitored the loan guarantee program that backed the now-bankrupt solar panel maker, Solyndra. Also, a photo caption with the story identified the city of Fremont as part of the Silicon Valley. Fremont is across the San Francisco Bay from Silicon Valley. —

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But Spinner's role as a top official in the Energy Department program, which had not been previously revealed, is likely to spur new inquiries into whether political influence played a role in the handling of the "green" energy fund. Solyndra faces a congressional probe, a criminal investigation and separate internal inquiries at the Energy and Treasury departments.

"This will fuel more questions, and now you've got real people involved at the inspector-general level who will be turning over chairs and cabinets, asking questions," said Stanley Brand, a criminal defense and ethics lawyer in Washington who has served as general counsel to the U.S. House of Representatives.

He noted that none of the details that had emerged suggested any laws had been broken. "It's embarrassing, it's ham-handed, it looks bad, but so far all we have is the White House trying to advantage itself in a political way with a loan," he said.

The largest investments in Solyndra were funds operated on behalf of the family foundation of billionaire George Kaiser, another major fundraiser for Obama in 2008. Kaiser has denied personally investing in the solar energy company or talking to White House officials about the loan.

Some Republicans in Congress charge that the White House pushed to get the loan approved for political reasons, which the White House denies.

Before its collapse, Solyndra was a showcase of the White House initiative to develop clean-energy alternatives. Obama visited the factory in May and praised Solyndra as a green technology company that would create jobs and help lead the country's economic recovery.

The company filed for Chapter 11 bankruptcy protection Sept. 6. Two days later, agents with the FBI and Energy Department's inspector general served a search warrant at Solyndra headquarters in an inquiry focusing on whether the company misled the government in applying for the loans.

In announcing its closure, Solyndra cited an unexpected reduction in demand for its products and intense competition from Chinese companies that drove down the price of solar panels it could sell.

Spinner, who raised at least \$500,000 for Obama in 2008, is leading efforts to raise money from the technology industry for the president's reelection campaign. He did not respond to requests for comment Friday.

Last week, he invited Obama fundraisers who were in Chicago for a national finance committee meeting to the launch of the Technology for Obama fundraising program. In July, the Obama campaign credited Spinner with raising between \$200,000 and \$500,000 so far this year.

Spinner was a Silicon Valley investor who founded a sports and wellness company before he joined the administration in April 2009 after serving on Obama's transition team. He was named an advisor to Energy Secretary Steven Chu and was charged with helping oversee a loan guarantee program authorized by the American Recovery and Reinvestment Act, the economic stimulus program.

"Steve Spinner acted as a liaison between the Recovery Act Office and the Loan Programs Office," Energy Department spokesman Damien LaVera said in a statement Friday. "In that capacity, he played no role in the decision-making or evaluation of the Solyndra loan application."

During his tenure, the program approved 20 loan guarantees totaling \$25 billion for energy storage, wind power and solar generation, according to Spinner's resume on LinkedIn. Among them was final approval for Solyndra, which planned to manufacture thin solar modules for flat rooftops.

The company applied for a loan guarantee in December 2006, filing under a program created by George W. Bush's administration. It received a conditional commitment for \$535 million in March 2009, shortly before Spinner arrived.

In the months that followed, department staffers negotiated the final terms and provided the Office of Management and Budget with data as it assessed the risks of the deal.

In August 2009, while that risk assessment was underway, White House officials began expressing interest in having Vice President Joe Biden announce the deal during a trip to California the following month, according to emails released to House investigators this week. That spurred exchanges between officials

at the White House, the Energy Department and the OMB about whether they could speed up the final approval.

Spinner was the recipient of at least one of the emails, administration officials confirmed Friday — an Aug. 25, 2009, message from Biden's office saying that "we would want the VP [to] satellite into the event on 9/4. It's the same day the unemployment numbers come out, and we'd want to use this as an example where the Recovery Act is helping create new high tech jobs."

Spinner forwarded the email to another Energy Department staffer, who responded that she thought the event was scheduled for Sept. 8.

Spinner, who left the department a year ago, remains an enthusiastic proponent of the loan guarantees. In an op-ed he co-wrote on the blog ThinkProgress on July 13, he urged Congress to appropriate more money to the effort, calling it "an outright success."

"Even the most controversial loan guarantee recipient — Solyndra, a solar manufacturer — is seeing an operational turnaround," he wrote with Richard Caperton, a senior policy analyst at Center for American Progress, a liberal think tank where Spinner is a

senior fellow. He did not

disclose in the piece that he had played a role in the program.

Two months later, after the department declined to restructure the loan a second time, Solyndra declared bankruptcy. By that time, \$527 million in taxpayer money that Solyndra borrowed from the Federal Financing Bank, operated under the supervision of the Treasury Department, had been disbursed to the company — funds that the government may not be able to recoup.

Separately, lawmakers in Sacramento questioned a \$27-million tax break given to Solyndra under a state law intended to encourage clean-energy companies to do business in California.

State Sen. Alex Padilla (D-Pacoima), who co-wrote the bill, said he planned to examine the tax break at a hearing this fall.

"We're certainly revisiting the due diligence that was done before an award was given," he said.

Assemblyman Brian Nestande (R-Palm Desert) said he intended to ask Treasurer Bill Lockyer's staff to explain "what their vetting process was."

The law, which was approved unanimously by the state Senate and Assembly and signed by then-Gov. Arnold Schwarzenegger in March 2010, exempts qualified clean-technology companies from paying sales tax when buying manufacturing equipment.

The law established a committee to review applications from companies that sought the tax breaks. In November, Solyndra applied for a credit that would allow it to avoid paying nearly \$35 million in sales tax on the purchase of more than \$380 million of equipment.

The request was granted, but the company used only \$27 million of the credit before it went out of business, said Joe DeAnda, a Lockyer spokesman.

Solyndra also received other indirect benefits from state agencies.

Under the California Solar Initiative, a program created by Schwarzenegger and the Legislature, customers that bought Solyndra-manufactured solar-power modules received about \$4.9 million in state subsidies, according to Terrie Prosper, a spokeswoman for the California Public Utilities Commission.

Prosper emphasized that the state subsidies went to Solyndra's customers and not to the company, which is how the program works.

[matea.gold@latimes.com](mailto:matea.gold@latimes.com)

[stuart.pfeifer@latimes.com](mailto:stuart.pfeifer@latimes.com)

*Gold reported from Washington and Pfeifer from Los Angeles. Times staff writer Marc Lifsher in Sacramento contributed to this report.*

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