

HOW DOES THE CORRUPT DEPARTMENT OF ENERGY PAY OFF OBAMA CAMPAIGN FINANCIERS?


By [Alex Diaz](#).

[How the Solyndra solar company burned through half a billion taxpayer dollars](#)

It's been exactly ten years since the Solyndra solar power company accepted a loan of half a billion taxpayer dollars that would never be repaid. Now one industry expert says he's not sure any lessons have been learned in the years since.

On March 20, 2009, then-Secretary of Energy Steven Chu announced Solyndra would be the recipient of a \$535 million loan from his department under the Obama administration's revamped loan guarantee program.

Solyndra used the money, along with hundreds-of-millions more from private investors, to build a new facility where it would be mass-producing its easy-to-install cylindrical solar "panels." The whole thing lasted about two years.

 May 26, 2010: President Obama lifts a solar panel as he tours a Solyndra facility in Fremont, Calif.

President Obama lifts a solar panel as he tours a Solyndra facility in Fremont, Calif. (Reuters)

The ill-fated energy company had initially asked President George Bush for cash under the loan guarantee program, which was created to help companies working with clean energy technologies that might be considered too risky for private investors.

But it wasn't until President Obama launched his sweeping stimulus spending plan that Solyndra's application was approved, launching the California company to poster-child status despite what were apparently growing concerns about its long-term (and even short-term) viability.

Those concerns were reportedly being relayed to the White House in the run-up to President Obama's highly publicized visit to Solyndra headquarters, which was scheduled just six months before the 2010 midterm elections. Congressional investigators later uncovered information indicating that Solyndra was planning on laying off some of its employees ahead of the midterms, but waited due to pressure from the White House.



By the end of August 2011, little more than a year after hosting a presidential visit, Solyndra had filed for bankruptcy. And the writing was on the wall much earlier.

In February 2011, the Department of Energy had restructured its loan and included terms that guaranteed private investors would be repaid before the government in the event the company went under.

Adding to the anger among Republicans over what was perceived as a politically-charged loan process was the fact that one of the private investors backing Solyndra was a well-known Obama fundraising bundler, George Kaiser.


"[T]he actions of certain Solyndra officials were, at best, reckless and irresponsible or, at worst, an orchestrated effort to knowingly and intentionally deceive and mislead the Department."

— Inspector General report on Solyndra, 2015

A little more than a week after the company announced it was going bankrupt, the FBI conducted a surprise raid and agents were seen carrying crates upon crates from Solyndra HQ in Fremont, Calif.

A [2015 Inspector General report](#) found that Solyndra had over-inflated the value of some of its contracts, with some clients apparently receiving goods at a discount despite indications they would be paying full price. Some of the clients they had been counting on wound up bailing due to the availability of much cheaper technologies from China.


Either way, the IG report indicates that "the investigative record suggests that the actions of certain Solyndra officials were, at best, reckless and irresponsible or, at worst, an orchestrated effort to knowingly and intentionally deceive and mislead the Department." The IG admits that there were signs the government might have missed some obvious red flags, while critics have argued those red flags were more likely overlooked intentionally.

 Sept. 8, 2011: FBI agents stand guard outside of Solyndra headquarters in Fremont, Calif.

Sept. 8, 2011: FBI agents stand guard outside of Solyndra headquarters in Fremont, Calif. (AP)

The loan guarantee program that helped Solyndra get off the ground, however briefly, still exists today, and taxpayer dollars are still being shelled out to energy companies of all types. The solar industry itself also doesn't seem to have suffered much, with a recent industry [report](#) predicting the number of installed solar projects would more than double by 2021.

Tom Pyle, an energy industry expert who led the Trump presidential transition team on energy, says the program's ongoing existence despite the lessons learned from the Solyndra debacle shows that government has no business backing private energy companies, whether they're solar or not.

 Solyndra CEO Brian Harrison, left, and Chief Financial Officer Bill Stover, right, testified to House lawmakers in September 2011. Attorneys Walter Brown is at left, and Jan. Nielsen Little is at right in this photo. (AP Photo/J. Scott Applewhite, File)

Solyndra CEO Brian Harrison, left, and Chief Financial Officer Bill Stover, right, testified to House lawmakers in September 2011. Attorneys Walter

Brown is at left, and Jan. Nielsen Little is at right in this photo. (AP Photo/J. Scott Applewhite, File)

"Even though President Trump has submitted very responsible budgets, including eliminating the loan program, Congress continues to fund it... even more generously," Pyle tells Fox News.

And when he considers the prospects of our energy future under proposals like the Green New Deal, Pyle says the lack of knowledge becomes all the more obvious.

"The bottom line is the Green New Dealers want to impose massive government control of our energy resources, and infuse billions of our taxpayer dollars into doubling down on the Solyndras and those projects," Pyle says. "So there aren't lessons being learned here, they're going the opposite way."

The Honorable Steven Chu

Secretary

U.S. Department of Energy

1000 Independence Ave., SW

Washington, DC 20585

VIA FACSIMILE: (202) 586-4403

Dear Secretary Chu:

The Project On Government Oversight (POGO) is an independent nonprofit that investigates and exposes corruption and other misconduct in order to achieve a more effective, accountable, open, and ethical federal government. As we believe that is your goal for the Department of Energy (DOE) as well, we were shocked to learn that you recently recognized the

National Nuclear Security Administration (NNSA) for "Project Management Excellence" for the National Ignition Facility (NIF) project.[1] The criteria for the award is to have "demonstrated 'exceptional' results in completing a project within cost and schedule." [2] The project has done neither; in fact, the NIF project has been derided for years by the GAO, IG, and others as perhaps the worst example of program management.

It is extraordinary that NNSA is currently claiming the NIF construction was completed within budget, because the project is the most egregious rubber baseline—constantly changing the cost and schedule—that we have ever seen. In the early 1990s, the DOE sold the NIF project to Congress with a reported cost estimate of \$700 million and an original completion date of 2002. With its 192 laser beams to simulate a thermonuclear burn, the NIF was to be a critical part of certifying that nuclear warheads are safe and reliable. The most recent cost estimate is \$5-6 billion with a completion date of 2010—more than 600 percent over budget and at least 8 years behind schedule. In addition, NNSA has recently morphed the NIF's mission into helping to solve the energy crisis.

At best, it is premature to give such an award until the NIF actually achieves its promise of fusion ignition with energy gain. Some scientists are convinced that ignition and energy gain will be easily achieved. Others remain convinced it will never be achieved and that the glass lens will hold not up.[3] With all the changes in target design over the years, it is not possible to sort out who is right until 2010-2011 when we will know for sure. So perhaps 2011, after ignition and energy gain are achieved as long-promised, would be the time to consider giving out any types of NIF management awards. Even then, ignition will have come at a price far higher than promised, and doubts will remain about the long-term survival of the optics without expensive and frequent replacement. In other words, we do not know yet what product was built. Certainly, a lot of tax dollars were spent. And just as certainly, a lot of lab employees worked long and hard, and many sacrifices were made to assemble the NIF as it sits today. But we do not know if the NIF will produce as promised, and will not know until 2010-2011.

It appears the NIF program office has pulled an old trick out of their hat. A decade ago, the NIF program office put together a statement for then-newly

confirmed Secretary Bill Richardson, applauding the management of the NIF for keeping the project under budget and ahead of schedule. The Secretary was furious days later when he learned that he had been misled: the NIF construction was far over budget and at least one year behind schedule. It was a "major embarrassment" for the Secretary.[4]

Beyond the obvious management problems associated with an out-of-control budget and construction that is years behind schedule, the NIF has displayed a number of other serious management problems as well. A 2007 GAO report determined that the NIF did not have proper cyber security controls in place, resulting in unauthorized access to its computer systems and potentially releasing sensitive information.[5] An IG report from 2008 determined that the NIF did not have proper safety procedures in place, nearly resulting in a serious accident.[6] Overall, these studies demonstrate a glaring lack of good management in the NIF project.

In order to send a message that you are serious about cleaning up DOE's pathetic record of program management, we suggest you consider rescinding the management award given to the NIF project. This episode should serve as a warning to you that the nuclear weapons complex should not be allowed to run on autopilot. It requires serious oversight.

In addition to the NIF, POGO has a number of concerns with the nuclear weapons program that we would like to discuss with you. We will give your office a call within the next week. If you have any questions before then, please feel free to contact me at (202) 347-1122.

Sincerely,

Danielle Brian

Executive Director

[May 29, 2009 - DOE response to POGO's letter about NIF's project excellence award.](#)

Endnotes

[1] National Nuclear Security Administration, "NNSA Recognized for Project Management Excellence," April 7, 2009. <http://nnsa.energy.gov/2319.htm>.

[2] Secretary of Energy's Project Management Excellence Awards Program.

<http://oecm.energy.gov/Default.aspx?PageContentID=22&tabid=269>


[3] Hugh Gusterson, "Why Thomas Friedman is wrong about the National Ignition Facility," *Bulletin of Atomic Scientists*, April 27, 2009.

[4] James Glanz, "Laser Project is Delayed and Over Budget: Report Highlights Troubles at Nuclear Testing Facility," *New York Times*, August 19, 2000. <http://www.nytimes.com/library/national/science/081900sci-laser-missiles.html>

[5] Government Accountability Office, *National Nuclear Security Administration: Additional Actions Needed to Improve Management of the Nation's Nuclear Programs*, January 31, 2007. <http://www.gao.gov/htext/d07428t.html>. Government Accountability Office, *National Ignition Facility: Management and Oversight Failures Caused Major Cost Overruns and Schedule Delays*, August 2000. <http://www.gao.gov/archive/2000/rc00141.pdf>.

[6] DOE Inspector General, *Implementation of Integrated Safety Management at Lawrence Livermore National Laboratory*, July 2008. <http://www.ig.energy.gov/documents/IG-0797.pdf>.

[Solar Trust Belly-Up: Yet Another Obama Green Energy Company Goes Bankrupt After Receiving \\$2.1 Billion Government Loan Guarantees](#)

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Obama Throws Another \$2.1 Billion Thrown Down The Toilet!

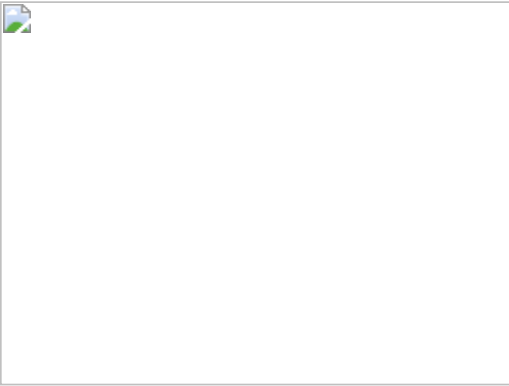
Yet another one of Obama's pet Green Energy companies (Solar Trust) has gone belly-up, and filed for bankruptcy, less than a year after receiving \$2.1 billion in government-backed loan guarantees! In reality, that means that an already failing company was handed \$2.1 billion in free money, with no plan or hope by the Obama administration of getting re-paid, other than now having a group of people who owe Obama big time!

When will the American People stand up and say "ENOUGH IS ENOUGH! WE WILL NO LONGER ALLOW THE OBAMA ADMINISTRATION TO WASTE ANY MORE OF OUR HARD-EARNED MONEY ON THESE GREEN ENERGY ...

[...Continue Reading Solar Trust Belly-Up: Yet Another Obama Green](#)

**Energy Company Goes Bankrupt After Receiving \$2.1 Billion
Government Loan Guarantees**

Obama's Energy Department Approves Two More Solyndra-Like Loans



Meet the next two Solyndra-like Obama loan scandals that are sure to be in the news in the very new future.

The Obama administration's Energy Department has just approved two more government-backed loan guarantees, worth more than \$1 billion, for two more solar energy companies, similar to the loan they gave Solyndra.

- ***Tonopah Solar - \$737 million gov loan***
- ***Mesquite Solar - \$337 million gov loan***

Soon, we will also be learning about what friends and supporters of Obama's are involved with the companies, and how much the companies have donated to Obama.

The Energy Department on Wednesday approved two loan guarantees worth more than \$1 billion for solar energy projects in Nevada and Arizona, two days before the expiration date of a program that has become a rallying cry

Steven Chu Lost His Job Over The Solyndra Scandal & Department of Energy Corruption



Corruption: The Secretary of Energy takes responsibility for and defends the granting of a half-billion-dollar-loan guarantee to an imploding solar panel maker. But that's not where the campaign donor buck stopped.

In testimony Thursday before the House Energy and Commerce Committee, Steven Chu, caught in a tangled web of administration deceit regarding a \$535 million guaranteed loan to Solyndra, tried but failed to continue the administration line that the affair was just a good-faith bet that went bad.

"As the Secretary of Energy, the final decisions on Solyndra were mine, and I made them with the best interest of the taxpayer in mind," Chu claimed in his opening statement. "I want to be clear: Over the course of Solyndra's loan guarantee, I did not make any decision based on political considerations."

If political considerations were not involved, then explain the Oct. 30, 2010, email in which advisers to Solyndra's primary investor, Argonaut Equity, said the Energy Department had strongly urged the company to put off an announcement of looming layoffs until Nov. 3, the day after the midterm elections in which President Obama's failed stimulus was a hot issue.

In point of fact, newly disclosed emails show Democratic fundraiser and Solyndra investor George Kaiser talked directly with White House officials about the now-bankrupt solar company's \$535 million loan guarantee from the Department of Energy.

Kaiser, a major Obama bundler and backer who raised \$50,000 to \$100,000 for the president's election campaign, was one of Solyndra's primary

investors. Kaiser himself donated \$53,500 to Obama's 2008 election campaign, split between the DSCC and Obama for America.

In a March 5 email, Kaiser wrote to Solyndra board member Steve Mitchell: "BTW, a couple of weeks ago, when Ken and I were visiting with a group of Administration folks in DC who are in charge of the stimulus process (White House, not DOE) and Solyndra came up, every one of them responded simultaneously about their thorough knowledge of the Solyndra story, suggesting it was one of their prime poster children."

"Ken" is Ken Levit, executive director of the Kaiser Family Foundation, who wrote the following in an email to Mitchell on Feb. 27, 2010: "They about had an orgasm in Biden's office when we mentioned Solyndra."

If Chu was keeping the taxpayer in mind, why was the loan restructured so Solyndra's private investors were moved to the front of the line and taxpayers were put on the hook for at least the first \$75 million if the company should default? This arrangement, subordinating taxpayers to private investors, is an "apparent violation of the law," according to Rep. Fred Upton, R-Mich., chairman of the House Energy and Commerce Committee.

Chu told the committee that restructuring "improved the chance of recovering taxpayer money by giving the company a fighting chance at success, with a completed plant as collateral." The decision also meant continued employment for the company's approximately 1,100 workers, he said.

Yet when asked how much money taxpayers might get back, Chu said: "Well, that remains to be seen. I'm anticipating not very much." The 1,100 Solyndra workers Chu said he was trying to keep have lost their jobs anyway.

According to Chu, the "Solyndra transaction went through more than two years of rigorous technical, financial and legal due diligence," a statement that ignores the warnings from accounting firm PricewaterhouseCoopers that Solyndra and its business model were not viable.

Due diligence? Emails showed White House officials repeatedly asking the Office of Management and Budget on the loan review's progress. One email

from a budget official referred to "the time pressure we are under to sign off on Solyndra" and referred to "a situation of having to do rushed approvals." They were under pressure to approve the loan so Vice President Biden could make the grand photo-op announcement.

"This deal is NOT ready for prime time," one budget analyst wrote in a March 10, 2009, email. Another message — dated Aug. 31, 2009, written by an OMB staffer and sent to Terrell P. McSweeney, Biden's domestic policy adviser — concluded, "We would prefer to have sufficient time to do our due diligence reviews." In fact, they were not done prior to President Obama's visit to the beleaguered firm.

There was no due diligence done in the awarding of taxpayer dollars to a firm everybody knew had an unsustainable business model in an industry largely kept afloat by taxpayer subsidies. Political considerations and donor cash had everything to do with the loan.