

Chu takes responsibility for a loan deal that put more taxpayer money at risk in Solyndra

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Energy Secretary Steven Chu acknowledged Thursday making the final decision to allow a struggling solar company to continue receiving taxpayer money after it had technically defaulted on a \$535 million federal loan guaranteed by his agency.

Chu spokesman Damien LaVera said in a statement that the secretary approved the restructuring agreement for Solyndra because it gave the company “the best possible chance to succeed in a very competitive marketplace and put the company in a better position to repay the loan.”

Also Thursday, a law enforcement official confirmed that the [criminal probe](#) of Solyndra is focused on whether the company and its officers misrepresented the firm’s finances to the government in seeking the loan or engaged in accounting fraud. The official spoke on the condition of anonymity because of the sensitivity of the probe.

On the political front, Chu’s admission came as some members of Congress were asking whether Chu went too far in trying to help the company before it went into bankruptcy, leaving taxpayers on the hook for the loan.

Chu, a Nobel laureate and physicist who came to the administration from academia, arrived in Washington with a mandate to push billions of dollars in stimulus funds into clean-energy companies and projects. With keen White House interest, Chu rode herd over an \$80 billion showcase initiative that was supposed to spur a new “green” industry and economic growth.

Solyndra was the first company approved for a loan guarantee under the Obama administration; its application originated several years earlier during George W. Bush’s presidency. Early on, there were concerns about Solyndra’s finances, but the company was still endorsed by President Obama and received high-profile support from Chu. Both visited the firm at different press events. Chu flew to California to announce the loan approval at the [groundbreaking](#) for a \$750 million factory that was built mostly with funds from the loan.