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POLITICAL COMMENTARY FROM ANDREW MALCOLM

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House members probe \$535-million loan guarantee by Obama Energy Dept. for Solyndra solar plant

February 23, 2011 | 8:52 am

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Here's a sad and revealing chronology about a U.S. president named Obama, a California company named Solyndra and, now, a congressional investigation into the administration's loan guarantee of \$535 million in a failed green energy project that was supposed to create jobs.

But it didn't.

At enormous taxpayer cost.

The story starts in the early 2009 days of the Democratic administration of **Barack Obama** and the hastily written economic stimulus legislation passed by the whopping Democratic congressional majorities of Sen. **Harry Reid** of Nevada and House Speaker **Nancy Pelosi** of San Francisco.

You'll remember it was very important to pass the \$787-billion economic stimulus bill as quickly as possible then to keep the 7.1% national unemployment rate from rising further. Today, it's 9%. So, that didn't work out well, either.

Remember President Obama went to the Caterpillar plant in his home state of Illinois and said

... the worthy stimulus funds would enable the heavy-equipment giant to start hiring again? And Caterpillar's president said, well, no, not really. He foresaw more layoffs first. But the urgent flow of news moved on because it was very important to get that borrowed money moving out the door as quickly as possible.

Back in those days, the term "shovel-ready" wasn't a joke. It was a promise to put this money to work creating jobs ASAP so Obama could get on with the business of his beloved healthcare bill.

Obama had the idea that since he was going to spend three-quarters of a trillion dollars anyway, why not put a fair chunk of that dough into kick-starting green energy projects, which often need subsidies because they're still not economically practical to work on their own? Potentially win-win. Or not.

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On Sept. 9 that year in a special closed-circuit TV program for the groundbreaking of Solyndra's new plant, Vice President **Joe "Recovery Summer" Biden** announced the signing of the \$535-million federal loan guarantee, the Energy Department's first under the stimulus plan.

Joe said, "These jobs are the jobs that are going to define the 21st century that will allow America to compete and to lead like we did in the 20th century."

The money would finance construction of a Solyndra facility, creating 3,000 construction jobs and 1,000 full-time positions in the modern plant making photovoltaic solar panels.

Because it was such a promising venture, Obama himself visited Fremont eight months later (see photos here and video report here) to hail his administration's decision to move in that direction.

The president said the facility was "leading the way to a brighter and more prosperous future" and the plant was "a testament to American ingenuity and the best workers in the world."



He said high-tech facilities like Solyndra would help "lay a new foundation for lasting growth."

Then came last November, the day after the midterm elections when everyone was focused on the historic shift to Republican control of the House. Solyndra announced then that not only was it not going to create those 1,000 full-time jobs so eagerly hailed by Obama and Biden, but it also was going to close an older factory and actually lay off 175 full- or part-time workers.

That left U.S. taxpayers holding the financial bag for nearly three-quarters of that loan guarantee, about \$390 million.

But now **Fred Upton** and **Cliff Stearns**, chairmen of the House Energy and Commerce Committee and Oversight Subcommittee, have been examining the company's financials and the possibility of waste and fraud. Since its 2005 founding, it seems that Solyndra has never made a profit and its own auditor had raised serious questions that did not slow or stop the immense guarantee's approval by the Obama administration.

Last week Upton and Stearns wrote Energy Secretary **Steven Chu**. The Republicans said:

While we understand the purpose of the Loan Guarantee Program is to help private companies engaging in clean energy products to obtain financing by providing loan guarantees, subsequent events raise questions if Solyndra was the right candidate to receive a loan guarantee in excess of half a billion dollars.

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Oh, one other thing: The majority owner of Solyndra is **George Kaiser**. He's an Oklahoma billionaire. He was also [a bundler](#), [a major fundraiser](#), for the 2008 presidential campaign of Barack Obama and Joe Biden.

But that's probably coincidence.

-- Andrew Malcolm

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Photos: Genaro Molina / Los Angeles Times (Obama hails the Solyndra company during his visit there in May 26, 2010).

H/T John Rossomando

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Who is a bad guy at DOE?:

Steven Chu works for the Nuclear industry and steers support away from wind, hydrogen, electric and geothermal. He is a master of the delay tactic. His utter refusal to meet with reform groups or even members of Congress regarding process and ethics issues and his adversarial approach to OMB requests shows what he is about: Protecting his nuclear power friends.

Steve Rattner was the head of the car funding program and has already been charged with criminal actions. He made the backroom deals with Detroit.

Lachlan Seward ran the cut-offs on all DOE funding to make sure only his Detroit friends got money.

Matt Rogers and Steve Spinner were Steven Chu's friends from McKinsey Consulting who helped keep the lid on the insider deals and make sure only the Chu "friendlies" got the money.

Steve Silver was brought in as a "fake VC" to pretend like he was going to fix things but he just serves as a figurehead to sign off on corrupt deals flowing past him.

Phil Tobin manipulates the Loan Gaurantee program to benefit Nuclear friends and lock out others.

Rod O'Conner conduits funding & support, for Mr. Chu, away from wind, hydrogen, electric and geothermal.

Cathy Zoi supported the corrupt administration efforts.

Kristina Johnson ran the paperwork for the corrupt administration efforts.

Scott Harris keeps the contracts and legal reviews steered towards oil and nuckear friends and avoids investigation requests.

James Markowsky is a direct conduit for the oil companies.

Warren F. "Pete" Miller Jr is a direct conduit for Steven Chu's nuclear agenda.

Cynthia Anderson, DOE-EM's head of stimulus work who ran corrupt funding through the Savannah project.

Posted by: The Man | February 23, 2011 at 10:28 AM

Tesla Motors is the next one to get investigated. Not only does Tesla's funding/lobby history duplicate every red flag that Solyndra had, Tesla's issues are 10 times worse. Feinstein and Pelosi are deeply involved in manipulating funding for Tesla, Tesla's financials show that it can never make a profit with the obligations it has, they show it can never compete with the Nissan Leaf and the rush of cheaper, better cars and that DOE "fixers" knew this from Day 1. Sen. Bingamans staff slid Tesla and Fisker through and that is probably why he is quitting, he knows the investigations will come down on him.

Posted by: Sarah Leedre | February 23, 2011 at 10:40 AM

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