Embattled Solar Energy Execs Will Plead 5th At House Hearing

Matthew Daly, Associated Press

WASHINGTON (AP) — Two top executives at a bankrupt California solar energy company say they will invoke their Fifth Amendment rights and refuse to answer questions when they appear at a House hearing on Friday.

Solyndra Inc. Chief Executive Officer Brian Harrison and Chief Financial Officer W.G. Stover sent letters to the House Energy and Commerce Committee on Tuesday informing them of their plans to remain silent. The Associated Press obtained copies of the letters, which cite an ongoing criminal investigation by the FBI.

Harrison and Stover said they still plan to appear before the committee, which is investigating a $528 million loan Solyndra received from the Energy Department in 2009.

Republican leaders of the House energy panel said they were dismayed that Harrison and Stover had reneged on earlier promises to testify.

"It's disappointing that the officials who canvassed the halls of Congress in mid-July and misled our members about the financial state of their company are now unwilling to answer direct questions, but any effort to cover up the truth will ultimately not succeed," Reps. Fred Upton and Cliff Stearns said in a statement.

Upton, of Michigan, chairs the Energy and Commerce Committee, while Stearns, of Florida, heads a subcommittee on oversight and investigations

Upton and Stearns said they will not allow "stonewalling" by DOE, the White House Office of Management and Budget, Solyndra or anyone else to stop their investigation into what happened to half a billion dollars of taxpayers' money.

Solyndra filed for Chapter 11 bankruptcy protection earlier this month and laid off its 1,100 employees. The Silicon Valley company was the first renewable-energy company to receive a loan guarantee under a stimulus-law program to encourage green energy and was frequently touted by the Obama administration as a model.

The company's implosion and revelations that the administration hurried Office of Management and Budget officials to finish their review of the loan in time for a September 2009 groundbreaking have become an embarrassment for President Barack Obama.

Meanwhile, Upton, Stearns and another energy committee leader said they will step up scrutiny of 14 loan guarantees given preliminary approval by the Energy Department but not yet completed. If approved, the loans total more than $8 billion.

The Energy Department faces a Sept. 30 deadline to complete the loans, and lawmakers said they were concerned that "another rush to meet stimulus deadlines" will result in some loans being completed before they are ready.

"We question whether the DOE needs additional time to conduct its due diligence to ensure that taxpayer dollars are not being put at risk unnecessarily," Upton, Stearns and Rep. Ed Whitfield said in a letter to Energy Secretary Steven Chu. Whitfield, of Kentucky, leads the energy and power subcommittee.

Damien LaVera, a spokesman for Chu, said the Energy Department has been reviewing the loan applications for months and will not rush approval for any project.

Rep. Darrell Issa, D-Calif., chairman of the House Oversight and Government Reform Committee, said his committee also is investigating Solyndra and the broader loan program, which Issa said was "picking winners and losers" in what he called a misguided attempt to manage the economy.

"We're looking at the system, the corruption that seems to be endemic in both ideologically picking winners, but also looking at the possibility that this is an unfixable program," Issa said Tuesday in an interview with C-SPAN.

Democrats have hit back at Republicans in recent days, accusing them of hypocrisy on the loan issue.

Stearns backed a battery manufacturing plant in Jacksonville that received a $95.5 million grant from the Energy Department through the stimulus law, while Upton and other members of the Michigan delegation supported several clean-energy projects, including a $207 million loan request from EcoMotors International to build fuel-efficient car engines.

Other Republicans, including Louisiana Sen. David Vitter and Senate Minority Leader Mitch McConnell of Kentucky, also have sent letters to the Energy Department seeking assistance for projects in their home states.

Don Stewart, a spokesman for McConnell, said the project McConnell backed, for plant to build electric cars in Franklin, Ky., would have created 4,000 jobs.

"There was no effort to push the administration to short-circuit its due diligence simply to plan a ribbon-cutting. And unlike the half-billion dollars the taxpayers are stuck with for Solyndra, taxpayers aren't left holding the bag for the Kentucky project's loan request," Stewart said.

Agents with the FBI and Energy Department's inspector general executed a search warrant at Solyndra' s Fremont, Calif., headquarters on Sept. 8, two days after the company declared bankruptcy.

A U.S. official, who spoke on condition of anonymity because the case is under seal,

said the search was related to a fraud investigation into whether Solyndra filed inaccurate documents with the government.

Federal agents also visited Harrison's home and the homes of two other Solyndra executives.

Harrison's attorney, Walter Brown, and Stover's attorney, Jan Nielsen Little, said in separate letters to the committee that the criminal investigations prompted the decisions to decline to testify under their constitutional right to avoid self-incrimination. Both Harrison and Stover still intend to appear at the hearing, their lawyers said.

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Associated Press writer Matt Apuzzo contributed to this report.

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