

FBI Investigates Solar Firm That Got \$535M U.S. Loan

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FREMONT, Calif. (AP) — FBI agents executed search warrants Thursday at the headquarters of California solar panel manufacturer Solyndra, which received more than \$500 million in federal loans before filing for bankruptcy last week.

Blue-jacket-clad agents swarmed the company's headquarters in Fremont as part of an investigation with the Department of Energy's Office of Inspector General into the manufacturer once touted by President Barack Obama as a beneficiary of economic stimulus, FBI spokeswoman Julianne Sohn said.

The agents carried evidence in dozens of boxes and bags out of Solyndra's offices late Thursday afternoon, loading the items into a large white truck.

Sohn said she could not provide details about the investigation, including what agents were gathering as the search continued hours after the early morning raid. The agents were expected to finish their search Thursday.

Solyndra spokesman Dave Miller said agents were collecting documents but the company did not know the reason for the search. Company executives were on the premises but were not likely to make a statement Thursday, he said.

"It certainly was a shock this morning to arrive and see the FBI here," Miller said.

The assumption was that the search was related to the loans, he said. Those loans — part of the \$862 billion economic stimulus package that Congress passed in 2009 — have for months been the subject of a probe by the House Energy and Commerce Committee.

Republicans are using Solyndra's financial woes as ammunition in attacking the effectiveness of the stimulus package. The raid Thursday morning came just hours before the president appears before both chambers of Congress to appeal for more legislation that would help the economy and reduce the nation's 9.1 percent unemployment rate.

"The FBI raid further underscores that Solyndra was a bad bet from the beginning and put taxpayers at unnecessary risk," said top Republican leaders on the House Energy and Commerce Committee, Reps. Fred Upton of Michigan and Cliff Stearns of Florida, in a joint statement

"Irresponsibly choosing winners and losers on projects like Solyndra is a perilous and often doomed method to create jobs," they said.

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Thursday's raid by federal agents came about a week after Solyndra's announcement that it was filing for bankruptcy and laying off 1,100 workers.

Solyndra, like other companies in the nation's solar energy industry, faced declining prices for solar panels, in part because of heavy competition from Chinese companies.

The bankruptcy announcement was a sharp departure for a company that had been held up as the model for government investment in green technology.

Obama visited Solyndra last year, saying the company represented the future of American renewable energy innovation and noting that it expected to hire 1,000 workers. Other state and federal officials such as former Gov. Arnold Schwarzenegger and Energy Secretary Steven Chu also visited the company's facilities.

Solyndra's technology relied on a solar tube of sorts that could soak up sunlight from many different angles, producing energy more efficiently and using less space. The company's panels were also light and easy to install, which was meant to save up-front costs.

But over the past few years, other companies caught up and provided similar products at a lower cost.

"It's really sad to everybody who worked here," Miller said on Thursday. "We believed in the technology."

Mohammad Walahi, 41, worked for Solyndra for five years before showing up a week ago only to be told by a colleague that the company was going bankrupt. He blamed management, saying they had made bad decisions.

"See these buildings?" he asked, gesturing to the company's gleaming new campus. "They put all that money they got into buildings. What do you need these for? It only should have gone into making our solar panels better."

Walahi, a process technician at Solyndra, said it was heartbreaking to see the hope the company once embodied die.

Solyndra is being sued by workers who were abruptly laid off after last week's announcement, although Walahi said he is not part of the suit.

The federal government agreed to guarantee up to \$535 million in loans, and ended up lending nearly \$528 million, according to the company's bankruptcy filing.

The loan attracted attention from Republican lawmakers early on as they questioned whether politics played a role in the company getting funding. One of the company's investors, George Kaiser of Oklahoma, helped raised money for Obama's presidential campaign.

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Republican Rep. Cliff Stearns, chairman of a House subcommittee investigating Solyndra, recently called on the White House to release all communications between the White House and Solyndra and its investors. The House Energy and Commerce Committee issued a subpoena in July seeking documents from the White House Office of Management and Budget.

Democrats opposed those efforts, but on Thursday began to change their tack. Rep. Henry Waxman, D-Calif., called on Stearns to invite Solyndra CEO Brian Harrison to a hearing on Sept. 14. Waxman said that Harrison met with committee members less than two months ago and assured lawmakers that the company was in a strong financial position.

"These assurances appear to contrast starkly with the company's decision to file for bankruptcy," Waxman said.

Obama administration officials have said the \$535 million loan guarantee was also sought by the Bush administration. They have also said Solyndra increased sales revenue by 2,000 percent in the past three years and that private investors put more than \$1 billion into the company.

"The Department of Energy's Loan Program has supported a robust, diverse portfolio of more than 40 projects that are investing in pioneering companies as we work to regain American leadership in the global race for clean energy jobs," Damien LaVera, a spokesman for the energy department, said in a statement.

"Collectively, the projects we are supporting are expected to employ more than 60,000 Americans, create tens of thousands of additional indirect jobs, and help America stay competitive with countries like China in the clean energy race."

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