

Solyndra executives stonewall Congress

Article By:

Matthew Mosk

Solar firm officials duck questions about \$535M loan

The two top executives of the bankrupt solar power company Solyndra sat stone-faced before a Congressional committee today and [invoked their Fifth Amendment rights](#), rather than explain how they blew through \$535 million in taxpayer money.

Solyndra's CEO Brian Harrison and Chief Financial Officer Bill Stover at Capitol Hill for a House Oversight and Investigations subcommittee hearing. Susan Walsh/AP

"Let me just warn you and the other folks involved in this taxpayer rip-off," Energy and Commerce Chairman Fred Upton (R-Mich.) told the Solyndra executives. "We're not done. No we're not."

The decision of Solyndra CEO Brian Harrison and Chief Financial Officer W. G. Stover to repeatedly refuse to answer questions about Solyndra's Energy Department loan guarantee was the latest twist in an unfolding investigation into the failure of the California solar panel manufacturer, which just one year earlier had been touted as a model of President Obama's green jobs program.

The Obama administration had selected Solyndra as the first to receive a loan under a program designed to provide government support to companies that would create jobs while generating energy from cleaner sources, such as solar, wind and nuclear. President Obama personally visited the Solyndra complex, hailing it as a leader in this emerging field.

In August, though, Solyndra abruptly shut its doors, laying off 1,100 workers. And within days it declared bankruptcy. Friday's hearing was the second in two weeks by the House Energy and Commerce Committee's investigative subcommittee, intending to unwind the deal and understand how signs of Solyndra's financial trouble had been overlooked by the Department of Energy.

"I want to ask Mr. Harrison if he thinks the American people who invested over a half a billion dollars deserve to know what happened to that money?" Rep. Joe Barton (R-Texas) asked the two

executives. Both declined to answer, invoking their Fifth Amendment rights.

"I don't understand what's self-incriminating about a yes or no answer to whether the American people deserve to know what happened to over a half a billion dollars of their money," Barton said. For just over an hour, the two men continued to remain mum.

Rep. Tim Murphy (R-Pa.) appeared annoyed, asking the men to explain their "plan to pay back the taxpayers \$535 million you owe them." "And when will you pay them back? Mr. Harrison?" he pressed.

No reply.

Democrats said they, too, were puzzled by the silence of executives who just months earlier had sent a memo to Congress describing the company as "ramping" up its production, "competitive" with foreign rivals, and "on track" to hit its financial targets for the year.

The document obtained by ABC News, entitled "Exceeding Expectations: Solyndra Today," appears to have grossly distorted the company's actual financial standing. Since Solyndra sent the document to Congress on June 23, followed by a mid-July letter and personal visit making more claims about its financial strength, the company has not only declared bankruptcy, it has been raided by the FBI.

"When Mr. Harrison was in my office in July he said that Solyndra's future was bright, with sales and production booming," said Rep. Henry Waxman (D-Calif.). "I'd like to know why he told me that in July and then filed for bankruptcy one month later. Unfortunately I will not get an answer today."

Earlier this week, a Solyndra spokesperson said in a statement that both Harrison and Stover would be "unable to provide substantive answers to the Subcommittee's questions," and said that "present circumstances require both gentlemen to exercise their Fifth Amendment rights."

The statement added that Solyndra is unaware of any wrongdoing by company officials related to the loan guarantee "or otherwise," and is cooperating with federal investigators. "The company believes that the record will establish that Solyndra carefully followed the rules of the competitive application process, starting in December 2006 under the Bush administration and continuing under the Obama administration."

The subcommittee's investigation into the massive federal loan to Solyndra had already been underway for months. In March, the Center for Public Integrity's iWatch News, in partnership with ABC News, [began reporting on simmering questions](#) about the role political influence may have played in Solyndra's selection as the Obama administration's first loan guarantee recipient.

Damien LaVera, an Energy Department spokesman, has told ABC News that politics never entered the decision to [grant the loan](#), or restructure it earlier this year. LaVera said the department decided it was worth trying to redo the terms to try and salvage the government's initial investment. "[P]olitical or optical considerations took a backseat to putting the company and its workers in a better position to succeed and repay the loan," he said.

On Wednesday, the House Energy and Commerce Committee escalated its inquiry into the deal by seeking information from Solyndra's prime investors — including Oklahoma oil billionaire George Kaiser, a bundler of campaign contributions to the president in 2008.

That quest for information could shift the spotlight from DOE to the big money players behind Solyndra: Kaiser's Argonaut Private Equity, and another group, Madrone Capital Partners. Madrone is affiliated with the Walton family, founders of Walmart and major Republican donors. Kaiser and other investors get to recoup the \$75 million they invested earlier this year before the U.S. government recoups taxpayer money in Solyndra's bankruptcy proceedings.

The House committee said it sent letters to Argonaut and Madrone seeking documents on the \$535 million loan guarantee, the investors' \$75 million financing this year -- and any communications with the Obama administration, including telephone calls between the White House and companies. Kaiser has not responded to interview requests from iWatch News and ABC News since March. The June memo and July letter both appeared to be efforts to counter claims that the company was in financial trouble, saying they were providing "the most accurate and up-to-date information."

The letter, signed by Solyndra CEO Brian Harrison, said, among other things, that the company had just completed a "record quarter for shipments," and that it was using "American innovation and ingenuity to compete on the global solar market." Later, Solyndra would blame competition from China for its downfall. Solyndra declared bankruptcy on August 31.

Congressional investigators have also released a copy of a Sept. 10, 2011 email from an attorney for Solyndra to staff of the House Energy and Commerce Committee stating that the company's CEO "will appear voluntarily and answer the Committee's questions on any day the Committee chooses."

Just days later, an attorney for Harrison, the Solyndra CEO, wrote back to say his client would not answer any questions from the committee, and planned to invoke his Fifth Amendment rights when he appears before the committee Friday.

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