

## **Feds Investigate Solar Firm that Got \$535M U.S. Loan**

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FBI agents executed search warrants Thursday at the headquarters of California solar panel manufacturer Solyndra, which received more than \$500 million in federal loan guarantees before filing for bankruptcy last week.

Agents raided 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, according to FBI spokeswoman Julianne Sohn.

Sohn said she could not provide details about the investigation, including what agents were gathering in the company's offices as the search continued hours after the early morning raid. Agents in FBI jackets swarmed buildings on the company's campus, bringing in collapsed cardboard boxes.

Solyndra spokesman Dave Miller said agents were collecting documents but the

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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," he said.

The assumption was that the search was related to the loan guarantees, Miller said. Those loan guarantees — part of the \$862 billion economic stimulus package that Congress passed in 2009 — have for months been the subject of a probe by Republicans.

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 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."

Solyndra raised about \$528 million of the \$535 million in federal loan guarantees, according to its 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.

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

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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 interest in providing Solyndra with guaranteed government loans was first sought under 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.

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.

Solyndra is also being sued by workers who were abruptly laid off after last week's announcement.

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Associated Press writer Kevin Freking in Washington and Marcus Wohlsen and Sudhin Thanawala in San Francisco contributed to this report.

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