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## The Solyndra Scandal

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### Fundraiser for Obama Urged Solyndra Deal from the Inside

**Ronnie Greene and Matthew Mosk**

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*iWatch News*


An elite Obama fundraiser hired to help oversee the administration's energy loan program pushed and prodded career Energy Department officials to move faster in approving a loan guarantee for Solyndra, even as his wife's law firm was representing the California solar company, according to internal emails made public late Friday, October 7.

"How hard is this? What is he waiting for?"

Steven J. Spinner, who worked in the Obama administration's energy loan guarantee program, wrote in August 2009. "I have OVP [the Office of the Vice President] and WH [the White House] breathing down my neck on this." Spinner, a high-tech consultant and energy investor who raised at least \$500,000 for Obama's campaign, joined the DOE in April 2009.

The \$535 million loan to Solyndra was ultimately approved in 2009 and for months was touted by President Obama as a model of his efforts to create new jobs in the emerging field of clean energy. But in late August, the company abruptly shut its doors and days later declared it was filing for bankruptcy. Now the loan, part of the federal stimulus to jolt economic recovery and create jobs, is the subject of multiple investigations, by Congress and by the Justice Department, and taxpayers may be on the hook.

In one of the new emails, the White House appears to be bracing for the political fallout—one high ranking energy official in the White House warns shortly before Solyndra's bankruptcy, on Aug. 26, that what's coming is a "\*#~@ show" and "a mess."

In the lengthy email discussions that occurred in the days before the Solyndra loan closed in September 2009, Spinner emerges as a key figure in advocating for getting the deal done, apparently in an effort to score the loan as a political victory for President Obama. Many of the emails surround his efforts to coordinate plans for either President Obama or Vice President Biden to announce it as the administration's first loan approval—one that he repeatedly notes will create clean energy jobs.

It is Spinner, for instance, who pushes for a "big event" with "golden shovels, bulldozers, hardhats, etc."

He also corresponds with career Energy Department loan officials who are making the final decisions on the Solyndra loan. In one instance, he writes, "Hopefully, this might spur [the Office of Management and Budget] a little faster to help the closing."

The emails occurred less than two weeks after Spinner received a three-paged ethics agreement in which he pledges he will "not participate in any discussion regarding any application involving [his wife's law firm] Wilson [Sonsini Goodrich & Rosati]." That opinion, obtained under the Freedom of Information Act, was written by Matt Rogers, then senior advisor to the energy secretary for Recovery Act issues.

Recovery Act records show Allison Spinner's law firm, Wilson Sonsini, received \$2.4 million in federal funds for legal fees related to the \$535 million Energy Department loan guarantee to Solyndra. That ethics agreement said his wife would forgo pay "earned as a result of its representation of applicants in programs within your official duties." Courtney Dorman, a spokeswoman for Allison Spinner's law firm, Wilson Sonsini, said the firm also took strides to avoid conflicts, establishing a wall between her and client matters involving the Energy Department while Spinner was in office.

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The law firm worked on the solar company's failed public offering, the records show. And it also provided Solyndra with outside counsel on the DOE loan guarantee transaction. The company's \$2.44 million payment was generated by the Energy Department's stimulus loan guarantee to the solar panel firm.

Allison Spinner "was not involved with that transaction, nor has she ever worked with Solyndra in any capacity," Dorman said.

Spinner frequently corresponded with Rogers about Solyndra even after the ethics letter. On August 30, 12 days after the ethics letter, Rogers wrote to him about the pending Solyndra press event: "Yes, indeed, you have us way ahead of the curve. Regards, mr."

Spinner took steps to further disclose his potential conflicts in an email dated Sept. 23, 2009—but only after the Solyndra loan had closed, and the formal announcement involving Vice President Biden and others took place. In the email, also made public Friday, Spinner wrote "I will recuse myself from any active participation in any of these applications." Among those he listed was Solyndra's. He sent the letter to Rogers and an Energy Department lawyer.

The email's subject line is "Conflicts."

When Spinner's role in the loan deal was reported Sept. 29, administration officials attempted to minimize Spinner's role at the Department of Energy, saying he worked generally as a liaison, but not directly on the loans themselves.

After that report, Press Secretary Jay Carney was asked to respond to the report "that people who were involved in fundraising in the President's campaign were also involved in decision-making on some of these loans inside the Energy Department ... Three prominent fundraisers—Steve Spinner—"

Carney replied: "It's my understanding, at least with regard to the gentleman you just mentioned [Steve Spinner], that he had no connection to overseeing the loan guarantee program."

Emails obtained Friday, however, show Spinner corresponded directly with Solyndra's vice president of marketing and business development. In one, the Solyndra executive sends talking points about the loan and jots a quick note: "Steve, Solyndra's official position on jobs for your speechwriting."

Another Solyndra executive wrote, on August 30, 2009, that the company "has been communicating directly with Steve Spinner on the question of jobs creation ..." Two days before that, as he pressed an Energy Department colleague for answers on the eve of the deal closing, Spinner wrote: "Not to be anal or overly simplistic, but can you walk over there and force him to give you the answer? This is beyond silly."

Spinner expressed concern over how Solyndra was troubled by delays. "Any word from OMB? Even Solyndra's getting nervous," he wrote to a colleague Sept. 1, 2009, days before closing and a press event for Solyndra including Vice President Biden.

Spinner also wrote an email two weeks before the Solyndra loan closed to an aide to Vice President Biden, identifying the private investors in the deal. He attached to the email a bio from Forbes Magazine of George Kaiser, an Oklahoma billionaire who raised up to \$100,000 for Obama's 2008 campaign.

All the emails were turned over to congressional investigators Friday afternoon. In addition to the Spinner emails, the documents show more episodes where the administration was advised that investing in Solyndra may be a bad bet.

An executive from a company competing against Solyndra for federal loan money asked wryly in February of 2009 if the loan program "is suitable as a 'bail out' program for failing private manufacturers" given Solyndra's "failure to secure new investors." That warning came one month before Energy Secretary Steven Chu announced DOE's commitment to back the solar panel firm.

There also appeared to be objections from the Department of Treasury to the Department of Energy's decision, in early 2011, to restructure the Solyndra loan—a restructuring that gave private investors the first opportunity to recoup some of their losses should the company fail.

In one pointed memo, shortly before the company declared bankruptcy, a top Treasury official wrote to the White House to make clear that the decision to restructure the deal did not have Treasury or Justice Department approval—despite early suggestions that approval from both agencies may be required.

"To our knowledge, that has never happened," wrote Mary J. Miller, Treasury's assistant secretary for financial markets. "While I expect that DOE has a view about why loan subordination can occur without DOJ approval or Treasury consultation, I wanted to correct any impression that we have acquiesced in the steps to date."

The House Energy and Commerce Committee, which has been probing the Solyndra loan, seized Friday on Treasury's questions and the internal emails. The committee has called for another Solyndra hearing Friday, probing a loan issued with fanfare but shrouded by legal controversy, lost hundreds of millions, and escalating investigations.

A few days after the Solyndra loan closed, Spinner appeared at a clean-tech forum in Boston. He spoke of the virtue of the DOE's support for emerging companies, including Solyndra.

"We liked the taste of it," he said of the solar firm, telling the Boston group the company would create thousands of jobs.

*Ronnie Greene and Matthew Mosk write for iWatch News, a project of the Center for Public Integrity, from where this [article](#) is reprinted.*



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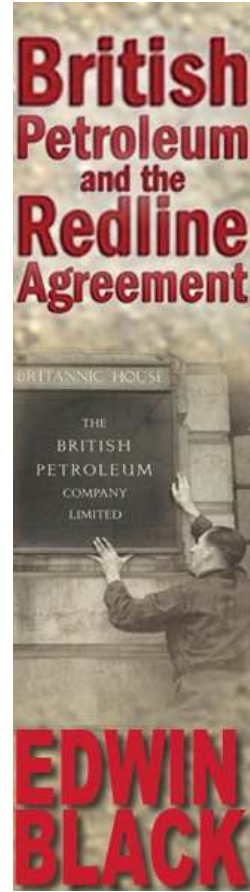
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