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Obama Aides Knew Solyndra Planned 2010 Layoffs, E-Mails Show

By Jim Snyder - Jan 13, 2012

The Obama administration knew before the 2010 election that Solyndra LLC, a solar-panel maker that received a \$535 million U.S. loan guarantee, planned to fire workers, according to e-mails released today.

The messages don't indicate that anyone from the White House directed Solyndra to delay announcing the layoffs until after the vote. Previously released e-mails, indicating the Energy Department urged Solyndra to postpone the cuts, have been cited by [House Republicans](#) who say politics influenced Solyndra's award and last-ditch rescue bid that put taxpayers behind \$75 million in private investment.

"Here's the deal -- Solyndra is going to announce they are laying off 200 of their 1200 workers," [Heather Zichal](#), a White House adviser, wrote to [Carol Browner](#), then director of the office of Energy and Climate Change Policy, and other officials on Oct. 27, 2010. "No es bueno."

The White House released the e-mails to the Republicans on the House Energy and Commerce Committee's investigations panel, which has been investigating Solyndra's loan guarantee since February.

Kathryn Ruemmler, counsel to President Barack Obama, said in a letter to Representatives [Fred Upton](#), a Michigan Republican and chairman of the energy committee, and [Cliff Stearns](#), a Florida Republican who heads the investigations panel, that congressional investigators have now received more than 186,000 pages of documents from the administration and 72,000 pages from Solyndra investors.

'On the Merits'

The documents show the decision to award the guarantee in 2009 and to restructure its terms to aid the company avoid bankruptcy were made by the Energy Department "on the merits," Ruemmler wrote in a letter signed with Cynthia Hogan, counsel to Vice President [Joe Biden](#).

Republicans in a Nov. 15 memo cited e-mails from advisers to the company that indicated the [Department of Energy](#) sought to delay the announcement of the 2010 layoffs.

"They did push very hard for us to hold our announcement of the consolidation to employees and

vendors to Nov. 3rd -- oddly they didn't give a reason for that date," an adviser to Argonaut Private Equity of Tulsa, [Oklahoma](#), who wasn't identified, wrote an associate in an e-mail. Argonaut was an investor in the company.

The Republican memo said [Brian Harrison](#), who was Solyndra's chief executive officer, told the department he wanted to inform employees about the jobs cuts on Oct. 28, 2010, five days before the election.

Fab 2

A day after the vote, on Nov. 3, Solyndra said it was closing a manufacturing plant built before it received the U.S. aid and was firing workers to cut costs. The company shifted operations to Fab 2, a \$733 million factory built with the help of the \$535 million guarantee.

Energy Secretary Steven Chu told the committee at a Nov. 17 hearing that he wasn't aware of an effort to delay the announcement, and that it wouldn't be a "proper way to do business."

Solyndra filed for [bankruptcy protection](#) on Sept. 6, about two years after it won the loan guarantee. Its offices were raided by the FBI on Sept. 8.

The loan guarantee to the Fremont, California-based company has proved to be a political embarrassment for the administration, which included the loan-guarantee program in its 2009 economic stimulus as a potential job creator.

Stearns and Upton have said White House and Energy Department officials ignored red flags warning of Solyndra's financial woes prior to the loan.

So far, Republicans have been unable to back up assertions that the White House may have intervened in the award as payback to [George Kaiser](#), an Oklahoma billionaire and fundraiser for President [Barack Obama](#), whose foundation also was a major investor in Solyndra.

Kaiser has said he never lobbied the administration on Solyndra's behalf.

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