

Congress, local authorities investigate Abound Solar

Posted By [Michael Bastasch](#) On 11:43 AM 10/08/2012 @ 11:43 AM In [Daily Caller News Foundation](#), [DC Exclusives](#), [Politics](#) | [No Comments](#)

On Friday, Republican Congressman Cory Gardner of Colorado announced he was signing on to a letter requesting that Energy Secretary Steven Chu provide documents and information regarding what the Energy Department knew about Abound Solar's actions while giving it taxpayer dollars.

"We will be sending this letter to the Department of Energy, to Secretary Chu, demanding information on technical reports, engineering reports, marketing analysis, schematics, information they had on the failure rate, the technology flaws. This is an investigation that will be launching today," Gardner said in an [interview](#) with 1310 KFKA's Amy Oliver, "but we need to have answers, the American people deserve nothing less."

Last week, The Daily Caller News Foundation published the results of an [investigation](#) of federal loan guarantee recipient Abound Solar and found that the company was knowingly selling a faulty, underperforming product, and may have misled lenders at one point in order to keep itself afloat in order to get government funding.

"We need to know, did the Department of Energy — did they close on the loan when they knew there were technical problems with the product?" Gardner said. "The fact that we have taxpayers on the hook for \$70 million means that we, in Congress, have a responsibility to make sure nothing was done improperly."

Rep. Gardner is on the House Energy and Commerce Committee which oversees the Energy Department's loan program, from which Abound — like Solyndra — received taxpayer dollars.

Gardner said that an investigation of potential criminal activity would be left to state and local authorities.

The next day, Denver's 7NEWS [reported](#) that the Weld County's district attorney's office in northern Colorado was investigating Abound Solar, scrutinizing the company's finances.

Abound Solar announced it was filing for chapter 7 bankruptcy liquidation in June, arguing that cheap Chinese solar panels flooding the market caused their demise.

"With over \$30 billion in reported government subsidies, Chinese panel makers were able to sell below cost and put Abound out of business before we were big enough to pose a real competitive threat to China's rapidly growing market share," according to the prepared congressional [testimony](#) by Craig Witsoe, former CEO of Abound.

Chinese competition did hurt the company's success, but that only added to Abound's existing problems with their panels, according to sources.

Testimony from sources within Abound show the company knew panels were faulty prior to obtaining taxpayer dollars, according to sources, but kept pushing product out the door in order to meet Department of Energy goals required for their \$400 million loan guarantee.

"Our solar modules worked as long as you didn't put them in the sun," an internal source from Abound told TheDC News Foundation.

Abound's faulty panels had high expected failure rates — as high as 77 percent in five years for some panels. Documents also show the total known and estimated failures for 2012 was put at 156,983 — out of 620,106 solar modules sold.

One source specifically said it was DOE metrics that caused Abound to keep producing and selling bad products.

"In my opinion Abound and the DOE put so much effort into meeting the metrics they paid no

attention to the lack of quality,” echoed another source.

Abound may have also committed fraud in order to obtain a bridge loan to keep themselves afloat in the weeks leading up to closing the Energy Department loan guarantee by using fake accounts receivable as collateral for the loan.

“We collateralized the loan with fake [accounts receivable] (the customer had canceled the order so the revenue should have be reversed but we kept it on the books for the banks benefits),” wrote one source in an email to the DC News Foundation.

“In my professional opinion I think that was fraud because there was no accounts receivable, it was a cancelled sale,” that same source later told TheDC News Foundation in an interview .

“These are solar panels we are now seeing reports that said they worked as long as you didn’t put them in the sun,” said Rep. Cory Gardner, R-Colo. “Now the question is did the (Department of Energy) — did they know something that the rest of should have known? Did Abound not tell the DOE something? These are questions that need to be answered.”

Gardner told 1310 KFKA’s Amy Oliver he expects the DOE to respond to his letter soon — within the next ten days.

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