

THE CRIMINALLY CORRUPT INSIDERS WHO RUN DEPARTMENT OF ENERGY QUID PRO QUO

Meet The Guy Who Went From Being CEO Of A Sports Sciences Start-Up To Managing Billions Of Dollars Of Your Money At The Infamous Department Of Energy

**OBAMA HIRED A SPORTS EXEC WITH ZERO EXPERIENCE IN
ENERGY TO MANAGE \$25 BILLION IN GREEN ENERGY LOANS**

Spinner Monitored The Energy Department's "Green" Loan Guarantees. "Steve Spinner, who helped monitor the Energy Department's issuance of \$25 billion in government loan guarantees to renewable energy projects, was one of Obama's top fundraisers in 2008 and is raising money for the president's 2012 reelection campaign." (Matea Gold and Stuart Pfeifer, "Obama Fundraiser Linked To Loan Program That Aided Solyndra," [Los Angeles Times](#), 9/16/11)

- **"Steve Spinner Acted As A Liaison Between The Recovery Act Office And The Loan Programs Office,' Energy Department Spokesman Damien Lavera Said In A Statement Friday."** (Matea Gold and Stuart Pfeifer, "Obama Fundraiser Linked To Loan Program That Aided Solyndra," [Los Angeles Times](#), 9/16/11)

Steve Spinner's LinkedIn Profile Documents That Prior To Joining The Obama Administration, Spinner Was The CEO Of Sports Potential, A "Start-Up Sports Sciences And Educational Services Company." (Steve Spinner, [LinkedIn](#), Accessed 6/5/12)

- **Spinner's Sports Potential Sold A \$135 "Smart" Test That Analyzed A Child's "Physical And Cognitive Skills" "To Determine Potential In 38 Sports."** "Steve Spinner created Sports Potential, a company in Menlo Park, Calif., that aims to keep such concerns in mind — for example, by guiding parents to enroll their children only in sports for which they are ready. He started the company with the help of Bill Bradley, the basketball star turned politician. Sports Potential sells a \$135 test called Smart, which analyzes the cognitive and physical skills of children ages 8 to 12 to determine potential in 38 sports."(Jennifer Alsever, "A New Competitive Sport: Grooming The Child Athlete," *The New York Times*, 6/25/06)

Maybe It Was Spinner's Fundraising Prowess That Qualified Him

From January, 2007 To November 2008, Spinner Served As An Obama National Finance Committee Member. (Steve Spinner, [LinkedIn](#), Accessed 6/5/12)

- **In 2008, Spinner Raised At Least \$500,000 For Obama's Campaign.** ([Center For Responsive Politics](#), Accessed 6/5/12)

Spinner Remains Actively Involved In Obama's Campaign

Spinner Has Raised At Least \$500,000 For Obama's Reelection Campaign. ([Center For Responsive Politics](#), Accessed 6/5/12)

- **In October, 2011 Spinner Helped To Plan An Obama Fundraiser.** "A former Energy Department official linked to the failed Solyndra solar enterprise deal continues to raise campaign money for President Obama and helped plan a fundraising luncheon that the president will attend in San

San Francisco on Tuesday.” (Peter Nicholas and Tom Hamburger, “Solyndra-Linked Fundraiser Still Boosting Obama Campaign,” [Los Angeles Times](#), 10/24/11)

- **Spinner Has Been On Numerous Fundraising Calls For Obama’s Campaign** . “He also has joined other Obama fundraising calls, according to a person familiar with Spinner’s participation who spoke on condition of anonymity because he was not authorized to comment publicly.” (Peter Nicholas and Tom Hamburger, “Solyndra-Linked Fundraiser Still Boosting Obama Campaign,” [Los Angeles Times](#), 10/24/11)
- **Obama Campaign Official: Spinner Is An “Active Fundraiser For The Campaign.”** “An Obama campaign official said Sunday that Spinner did not raise funds for the San Francisco event but is an ‘active fundraiser for the campaign.’” (Peter Nicholas and Tom Hamburger, “Solyndra-Linked Fundraiser Still Boosting Obama Campaign,” [Los Angeles Times](#), 10/24/11)

SO WHAT DID SPINNER DO WITH TAXPAYER FUNDS?

Obama’s Green Energy Loan Program Was Run By Campaign Bundler And Finance Committee Member Steve

Spinner. “Instead, the department’s loan and grant programs are run by partisans who were responsible for raising money during the Obama campaign from the same people who later came to seek government loans and grants. Steve Spinner, who served on the Obama campaign’s National Finance Committee and was a bundler himself, was the campaign’s ‘liaison to Silicon Valley.’ His responsibilities included fundraising, recruiting more bundlers, and managing Obama’s relationship with a cadre of very wealthy donors.” (Peter Schweizer, “Obama Campaign

Backers And Bundlers Rewarded With Green Grants And Loans," [Newsweek](#), 11/12/11)

- **Spinner Was Responsible For Doling Out Energy Grants To The Same Silicon Valley Investors That Backed Obama's Campaign.** "After the 2008 campaign, Spinner joined the Department of Energy as the 'chief strategic operations officer' for the loan programs. A lot of the money he helped hand out went to that same cadre of wealthy Silicon Valley campaign donors. He also sat on the White House Business Council, which is made up of Obama-supporting corporate executives." (Peter Schweizer, "Obama Campaign Backers And Bundlers Rewarded With Green Grants And Loans," [Newsweek](#), 11/12/11)

Spinner Was "Actively Involved" In Solyndra's Loan Despite A Promise To Recuse Himself From The Deal. "Emails released last week show that Spinner was actively involved in a \$528 million federal loan for Solyndra Inc., despite pledging to recuse himself because his wife's law firm represented the company." (Matthew Daly, "Solyndra Loan Figure Raises \$500k For Obama," [The Associated Press](#), 10/14/11)

- **Spinner Was "Deeply Involved" In The Planning Of Solyndra's Loan Guarantee Announcement And "In Close Contact With Solyndra Executives."** "On June 15, 2009, he wrote to his boss, Matt Rogers, a senior advisor at the Energy Department who oversees stimulus spending: 'here's the Solyndra checklist of all of the 60-70 items that need to be done for closing.' A flurry of emails from early August to early September 2009 portrayed Spinner as impatient to show that the stimulus act was producing jobs, especially at

so-called clean technology firms such as Solyndra. He was deeply involved in coordinating a 'big event' to announce the approval of Solyndra's loan guarantee, which he envisioned involving 'golden shovels, bulldozers, hardhats, etc,' according to an Aug. 20, 2009, email. In addition, the emails showed that he was in close contact with Solyndra executives to plan the event." (Peter Nicholas and Tom Hamburger, "Solyndra-Linked Fundraiser Still Boosting Obama Campaign," [Los Angeles Times](#), 10/24/11)

- **"Emails Show Spinner Pushed For A Prompt Decision On The Solyndra Loan As His Wife's Law Firm Was Representing The Company."** (Peter Nicholas and Tom Hamburger, "Solyndra-Linked Fundraiser Still Boosting Obama Campaign," [Los Angeles Times](#), 10/24/11)
- **Spinner's Wife Worked For Wilson Sonsini, Which Helped Its Clients Receive \$2.75 Billion In DOE Grants And Financing.** "The Energy Department came under criticism from Republicans earlier this year when agency e-mails raised questions about a possible conflict of interest involving Steven J. Spinner, a former department loan adviser who disclosed that his wife worked for Wilson Sonsini, a Silicon Valley law firm that handled funding applications for several clean-tech companies. Wilson Sonsini's clean-tech clients reaped \$2.75 billion in Department of Energy grants and financing, the Post analysis found." (Carol D. Leonnig and Joe Stephens, "Venture Capitalists Play Key Role In Obama's Energy Department," [The Washington Post](#), 2/14/12)

Spinner Pushed For Solyndra Loan To Give A “Political Victory” To Obama. “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.” (Matthew Mosk, “Obama Fundraiser Pushed Solyndra Deal From Inside,” [ABC News](#), 10/7/11)

Emails Show “Spinner Worked Hard” On Solyndra’s Behalf During The Loan Process, Including Pushing For A Final Decision. “Yet throughout Solyndra’s loan process, Spinner worked hard to defend the company from criticisms inside the government, including questions from climate czar Carol Browner’s office. He pushed to get a final decision on approving the loan in August.” (Carol D. Leonning and Joe Stephens, “Solyndra: Obama And Rahm Emanuel Pushed To Spotlight Energy Company,” [The Washington Post](#), 10/7/11)

- **“‘How F***Ing Hard Is This?’ Spinner Wrote On Aug. 28 An Another Department Official. ‘What Is He Waiting For’ Will We Have It By The End Of The Day?’”** (Carol D. Leonning and Joe Stephens, “Solyndra: Obama And Rahm Emanuel Pushed To Spotlight Energy Company,” [The Washington Post](#), 10/7/11)
- **Spinner Suggested DOE Approval Of Solyndra Will Encourage The OMB To Approve Of It “A Little Fast To Help The Closing.”** “He also corresponds with career

Department of Energy 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.'"(Matthew Mosk, "Obama Fundraiser Pushed Solyndra Deal From Inside," [ABC News](#), 10/7/11)

- **Spinner: "I Have OVP And WH Breathing Down My Neck On This."** "How hard is this? What is he waiting for?" wrote Steven J. Spinner, a high-tech consultant and energy investor who raised at least \$500,000 for the candidate before being appointed to a key job helping oversee the energy loan guarantee program. 'I have OVP [the Office of the Vice President] and WH [the White House] breathing down my neck on this.'" (Matthew Mosk, "Obama Fundraiser Pushed Solyndra Deal From Inside," [ABC News](#), 10/7/11)
- **In August, 2009, Senior Energy Department Advisor Matt Rogers Wrote To Spinner: "Thanks For Driving Solyndra."** "In late August 2009, Rogers wrote to Spinner in another email exchange: 'Thanks for driving Solyndra.'"(Neela Banerjee and Matea Gold, "Obama Fundraiser Took Active Interest In Solyndra Loan, Emails Show," [Los Angeles Times](#), 10/8/11)

Spinner "Corresponded Directly" With Solyndra Execs. "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.'" (Matthew Mosk, "Obama Fundraiser Pushed Solyndra Deal From Inside," [ABC News](#), 10/7/11)

AMERICAN TAXPAYER DOLLARS CREATED STIMULUS AND JOBS...ABROAD

Nearly Half Of Obama's \$2.4 Billion Devoted To Advanced Vehicle Batteries Went To Foreign Companies. "Nearly half of the \$2.4 billion in federal grant money awarded Wednesday to stimulate the U.S. economy and boost the production of hybrid and electric vehicles went to six companies with ties to places as far away as Russia, China, South Korea and France. ... But because so few American companies have the necessary technology, much of the money will initially go toward manufacturing electric vehicle batteries overseas." (Jerry Seper, "Obama Sends Stimulus Aid To Foreign Firms," [The Washington Times](#), 8/6/09)

- **A Massive Stimulus Grant Program For Wind Turbines Was Exempted From The "Buy America" Provision In The Stimulus.** "Matt Rogers, the senior adviser to the Secretary of Energy for the Recovery Act, denied there was a problem. ...Several of the large European turbine manufacturers had limited manufacturing facilities in the United States, but there was nothing in the stimulus plan that required that the turbines, or any other equipment needed for the wind farms, be made here, said Rogers. There are strict 'Buy America' provisions in the Recovery Act, but this Green Energy Stimulus initiative turned the existing tax credits into cash grants, bypassing the 'Buy America' provision." (Jonathan Karl, "New Wind Farms In The U.S. Do Not Bring Jobs," [ABC News](#), 2/9/10)

Obama's Clean Energy Investments Are "A Case Study Of What Can Go Wrong When A Rigid Government Bureaucracy Tries To Play Venture Capitalist." "The Obama administration's

vaunted initiative to catalyze the U.S. clean-energy industry – under attack for betting half a billion dollars on the solar-panel manufacturer Solyndra, which closed last month – has become a case study of what can go wrong when a rigid government bureaucracy tries to play venture capitalist and jump-start a nascent, fast-changing market.” (Steven Mufson And Carol D. Leonning, “Some Clean-Energy Firms Found US Loan-Guarantee Program A Bad Bet,” [The Washington Post](#), 9/26/11)

- **The Department Of Energy “Acknowledged” That Up To 80 Percent Of Some Green Programs Went To Foreign Firms.** “The Department of Energy estimated that 82,000 jobs have been created and has acknowledged that as much as 80 percent of some green programs, including \$2.3 billion of manufacturing tax credits, went to foreign firms that employed workers primarily in countries including China, South Korea and Spain, rather than in the United States.” (Patrice Hill, “Green’ Jobs No Longer Golden In Stimulus,” [The Washington Times](#), 9/9/10)

NOTABLE EXAMPLES

Two South Korean Companies Were Given \$303 Million To Produce Car Batteries With Foreign Workers

Compact Power, Inc. (On Behalf Of LG Chem, Ltd.) Received A \$151.4 Million Award Through The Department Of Energy’s Energy Efficient And Renewable Energy Recovery Act For The “Production Of Lithium-Ion Polymer Battery Cells For The GM Volt.” (Department Of Energy, “Recovery Act Awards For Electric Drive Vehicle Battery And Component Manufacturing Initiative,” [Press Release](#), 8/5/09)

The Recovery Act Award Notes That The Total Cost Of The Project Will Be \$303 Million. “The U.S. Department of Energy proposes is providing partial funding to Compact Power, Inc. to construct and operate a high-volume manufacturing plant to build advanced lithium-ion cells and batteries for hybrid vehicles, aviation, smart grid support, broadband backup power, and energy storage for renewable energy. The U.S. Department of Energy would provide \$151 million in financial assistance in a cost-sharing arrangement with the project proponent, Compact Power Inc. The total cost of the proposed project is estimated at \$303 million. The facility would be built on about 80 acres in the town of Holland, Michigan. Compact Power, Inc. would employ approximately 450 workers when the facility is fully operational.” (“Compact Power, Inc. Award Number DE-EE0002632,” Recovery.gov, Accessed 7/9/10)

LG Chem “Bought A Lot Of Korean Equipment And Supplies. And They Filled Some Of Those Sought-After Jobs With Korean Workers.” “In 2010, Obama and Vice President Biden personally appeared to break ground at two Michigan plants. The plants were getting a combined \$300 million under the stimulus program to build electric car batteries. But as it turns out the companies getting all those American tax dollars are largely owned by Koreans. They bought a lot of Korean equipment and supplies. And they filled some of those sought-after jobs with Korean workers. That drew anger from local labor unions. They say pictures, taken inside the plants show Korean nationals doing hands-on work that should be done by Americans.” (Sharyl Attkisson, “Unions Say Foreign Workers Taking Stimulus Jobs,” CBS News, 4/13/12)

LG Chem And Dow Kokam Will Not Release A Grand Total Of The Number Of Foreign Workers At The Stimulus-Funded Battery Plant. “The companies, LG Chem and Dow Kokam, wouldn’t agree to interviews. but they told CBS News the Korean workers are temporary and legal and have “unique ... expertise (with) highly sophisticated equipment.’ But just how many there are remains a mystery. The companies won’t tell us. Dow Kokam acknowledged 150 on site last December, but won’t give a grand total.” (Sharyl Attkisson, “Unions Say Foreign Workers Taking Stimulus Jobs,” [CBS News](#), 4/13/12)

- **FLASHBACK: Obama Touted Green Jobs In Michigan And Then Gave Stimulus Money To A Korean Company.** “But the green economy looks like a lot of green for the well-connected. The president handed \$150 million in stimulus money over to Korean CEO Peter Bahnsuk Kim of LG Chem. LG Chem is an \$11 billion Korean conglomerate that hardly seems a candidate for the American Recovery Act. No wonder the program is so unpopular.” (Henry Payne, Op-Ed, “He Came, He Saw, He Insulted,” [Detroit News](#), 7/16/10)

Fisker Was Given A Half-Billion Dollar Loan, Builds Hybrids In Finland

In 2009, The Department Of Energy Granted Fisker A \$529 Million Stimulus Loan Guarantee, \$359 Million Of Which Was To Go Toward Reviving The Former GM Boxwood Plant In Wilmington, Delaware. “In September, Secretary Chu announced a \$528.7 million conditional loan for Fisker Automotive for the development of two lines of plug-in hybrids, which will save hundreds of millions gallons of gasoline and offset millions of tons of carbon pollution by 2016. Of the total

loan, \$359 million is going to revive manufacturing at the Boxwood Plant. The Boxwood Plant will support Fisker Automotive's Project NINA, the development and build of a mass-market plug-in hybrid sedan." (Press Release, "Vice President Biden Announces Reopening Of Former GM Boxwood Plant," [Office Of The Vice President](#), 10/27/09)

- **FLASHBACK: Biden Attended The Re-Opening Of Fisker's Delaware Plant, Calling The Loan "Seed Money That Will Return Back To The American Consumer In Billions And Billions And Billions Of Dollars In Good, New Jobs."** BIDEN: "This is seed money that will return back to the American consumer in billions and billions and billions of dollars in good, new jobs." (ABC News' "Nightline," 10/25/11)

"With The Approval Of The Obama Administration," Fisker Began Assembling Its First Line Of Cars In Finland. "With the approval of the Obama administration, an electric car company that received a \$529 million federal government loan guarantee is assembling its first line of cars in Finland, saying it could not find a facility in the United States capable of doing the work." (Matthew Mosk and Brian Ross, "Car Company Gets U.S. Loan, Builds Cars In Finland," [ABC News](#), 10/20/11)

- **"Fisker Used The First \$169 Million In Taxpayer Funds To Bring To Market The Karma, A Flashy \$100,000 Hybrid Sports Sedan That It Assembles In Finland."** (Matthew Mosk, "Fisker May Never Build Electric Cars In US," [ABC News](#), 5/30/12)

Parago Received \$11 Million To Hire Workers In El Salvador And The Dominican Republic

In December 2009, Ohio Got An \$11 Million Stimulus Grant To Provide Rebates To People Who Buy Energy Efficient Appliances For Their Homes. "Ohio will use \$11 million federal stimulus money to provide rebates to people who buy energy efficient appliances for their homes. The U.S. Department of Energy approved the state plan Thursday." ("Ohio Stimulus Plan Gives Rebates On New Appliances," [The Associated Press](#), 12/4/09)

Ohio Contracted With A Firm Based In Texas To Run The Program. " [Ohio's Department of Development](#) contracted with Texas-based [Parago](#) to run the appliance rebate program for roughly [\\$500,000](#)." (Patrick Preston, "Ohio Rebate Program Created Jobs In Texas, Central America," [NBC4I](#), 7/27/10)

Upon Receiving The Grant, Parago Hired Hundreds Of Workers In El Salvador. "A Texas company hired to administer Ohio's popular appliance rebate program used hundreds of workers in El Salvador to process applications and to answer customers' calls." ("Strickland Upset With Stimulus Work Outside U.S.," [The Associated Press](#), 8/01/12)

Parago Also Outsourced Stimulus-Funded Jobs To Workers In The Dominican Republic. "The Texas company that outsourced stimulus-funded call center jobs to Central America also hired workers in the Dominican Republic. Ohio Department of Development spokesperson Katie Sabatino confirmed that Lewisville, Texas-based Parago used call centers in El Salvador and the Dominican Republic on Friday, the same day that ODOD released documents detailing how Parago won the state contract to run Ohio's Energy Efficient Appliance Rebate Program." (Patrick Preston, "Columbus CEO Speaks Out Against Texas

Company in Charge Of Ohio Appliance Rebate Program," [NBC4I](#), 7/30/10)

What Else Was The Department Of Energy Trying To Cover Up About Solyndra And The Loan Program?

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Former Executive Director Of Energy Department's Loan Program Office Jonathan Silver Warned That Including Personal E-Mail Addresses On DOE E-Mail Made Them "Subpoenable." "'Don't ever send an email on doe email with a personal email addresses,' Silver wrote Aug. 21, 2011, from his personal account to a program official's private Gmail account. 'That makes them subpoenaable.'"(Carol D. Leoning and Joe Stephens, "Energy Department Loan Program Staffers Were Warned Not To Use Personal Email," [The Washington Post](#), 8/14/12)

WHAT DID OBAMA'S DEPARTMENT OF ENERGY NOT WANT PEOPLE TO FIND OUT?

Ten Days Before Solyndra Declared Bankruptcy, Then-Executive Director Of The DOE Loan Program Office Jonathan Silver Tells Staff "Not To Include Personal E-Mail Addresses In Official Correspondence, To Prevent The Personal Accounts From Being Subpoenaed." "The former head of the Obama administration's controversial clean energy loan program warned a staff member last year not to include personal e-mail addresses in official correspondence, to prevent the personal accounts from being subpoenaed, documents show. Jonathan Silver, a political appointee who oversaw the Energy

Department's \$38 billion program, sent the warning days before a centerpiece of the program – solar-panel maker Solyndra – declared bankruptcy, pushing a congressional investigation into high gear. 'Don't ever send an email on doe email with a personal email addresses,' Silver wrote Aug. 21, 2011, from his personal account to a program official's private Gmail account. 'That makes them subpoenaable.' The House Committee on Oversight and Government Reform wrote a letter to Energy Secretary Steven Chu on Tuesday charging that he and Silver appear to have given 'inaccurate' or 'misleading' testimony to Congress about their handling of the loan program. Silver had testified that no one in the department used personal e-mails to conceal internal discussions about the program." (Carol D. Leoning and Joe Stephens, "Energy Department Loan Program Staffers Were Warned Not To Use Personal Email," [The Washington Post](#), 8/14/12)

While Silver Warned Staff Not To Include Personal Emails, He Repeatedly Dealt With Internal And Sensitive Loan Decisions Via Personal E-Mail Account. "Silver repeatedly communicated about internal and sensitive loan decisions via his personal e-mail, the newly released records show, and more than a dozen other Energy Department staff members used their personal e-mail to discuss decisions involving taxpayer-funded loans as well. The Washington Post received the e-mails from Republican investigators on the committee." (Carol D. Leoning and Joe Stephens, "Energy Department Loan Program Staffers Were Warned Not To Use Personal Email," [The Washington Post](#), 8/14/12)

Though Obama Administration Officials Claim Loan Decisions Were Based On Merit, New E-Mails Released Show

“The Most Senior People In The Administration” Were Worried About Small Loans And There Was Drive To Get Things Done So “Obama Will Look Like A Hero.” “The White House and Chu have repeatedly asserted that the Energy Department staff made all loan decisions based on merit, without regard to politics or donors. In the new e-mails, Silver cited political considerations in pressing for the administration to approve at least one loan applicant. Silver wrote on June 12, 2011, to David Lane, counsel to White House Chief of Staff Bill Daley, arguing that approving a loan to a solar-generation facility called Project Amp would help Obama politically. Project Amp then planned to buy from Solyndra, which investors hoped would help the struggling solar-panel maker. ‘Why are the most senior people in the Administration worrying about a \$200 million deal? Don’t we have bigger problems?’ Silver wrote. ‘Obama will look like a hero if we do this to a constituency that is now worried about him.’” (Carol D. Leoning and Joe Stephens, “Energy Department Loan Program Staffers Were Warned Not To Use Personal Email,” [The Washington Post](#), 8/14/12)

In August 2011, Solyndra Announced That It Would File For Bankruptcy. “Solyndra, a Fremont solar tech manufacturer, announced Wednesday it is suspending operations and immediately laying off 1,100 employees. The company said it will also file for bankruptcy.” (George Avalos, “Fremont Solar Tech Firm Solyndra To Shut Down, Lay Off 1,100 Workers,” *The San Jose Mercury News*, 8/31/11)

- **A Total Of 1,861 Workers Were Laid Off By Solyndra As It Went Bankrupt.** “Since September 1, 2010 (impact date), an estimate 1,861 workers have been separated from the firm. This total includes an estimated 649 temporary workers as

well as leased workers from West Valley, Aerotek, Oxford Global, GES and Lighthouse Management. Most of these separations occurred at the time of the shut-down of the Fremont, CA facility on August 31, 2011. An additional 85 workers are threatened with separation as the company's operations wind down." (Employment And Training Administration, "Investigative Report TA-W-80,410; Solyndra LLC," [Department Of Labor](#), 9/12/11)

Obama's "Independent" Energy Loan Watchdog Turns Out To Be An Obama Donor

President Obama: "But I Can Tell You We Have Put In Place The Toughest Ethics Laws And Toughest Transparency Rules Of Any Administration In History. In History."(President Barack Obama, [Remarks At A Town Hall Meeting](#), Elyria, OH, 1/22/10)

OBAMA'S FORMER "INDEPENDENT" ENERGY LOAN REVIEWER IS NOW A SUBSTANTIAL DONOR

Herb Allison, The Leader Of The "Independent Review" Of Obama's DOE Loan Program, Has Donated \$52,500 To Obama Since Completing His Work. "A veteran Wall Street executive who performed an independent review that exonerated the Obama administration's program of loans to energy companies contributed \$52,500 to re-elect President Barack Obama in the months since completing his work, according to an Associated Press review of campaign records. The executive defended the integrity of his conclusions and said he decided to donate to Obama after his work was finished." (Stephan Braun, "AP

Exclusive: Energy Loan Watchdog An Obama Donor," [*The Associated Press*](#), 8/23/12)

Two Weeks After Allison Testified Before Congress That “Minimized Concerns” About Obama’s Loan Program, He Began Giving To Obama’s Campaign, Totaling \$52,500 By July. “The campaign contributions to Obama started just weeks after Herbert M. Allison Jr., in congressional testimony in March, minimized concerns that the Energy Department was at high risk in more than \$23 billion in federal loans awarded to green energy firms. Two weeks later, Allison began giving to the Obama campaign. His contributions to Obama and the Democratic National Committee totaled \$52,500 by last month. Allison previously was the former head of the government’s mass purchase of toxic Wall Street assets. ” (Stephan Braun, “AP Exclusive: Energy Loan Watchdog An Obama Donor,” [*The Associated Press*](#), 8/23/12)

Allison Has Donated Before, “But His Gifts In The Past Have Tended To Be Much Smaller Than His Current Contributions.” “Allison gave \$2,500 to the Obama campaign on March 29, two weeks after he testified to the Senate Energy and Commerce Committee about his review. In May, he gave \$15,000 to the Obama Victory Fund, a joint fundraising committee that supports both the president’s re-election campaign and the Democratic National Committee. Allison gave the same amount to the fund again in June and then \$20,000 more in July. Allison has donated money to both parties, but his gifts in the past have tended to be much smaller than his current contributions, typically no more than \$1,000 or \$2,000, according to Federal Election Commission records.” (Stephan Braun, “AP Exclusive:

Energy Loan Watchdog An Obama Donor," [The Associated Press](#), 8/23/12)

Allison's Review Exempted Companies That Were Bankrupt, Including Solyndra, And Was Full Of Excuses And Shortcomings

The Review Looked At 30 Loans Or Loan Guarantees Totaling \$23.8 Billion, But Did Not Involve Solyndra Or Beacon Power, Both Of Which Went Bankrupt And Cost The Government \$567 Million. "The review, led by former Treasury Department official Herb Allison, looked at 30 loans or loan guarantees totaling \$23.8 billion that were offered to green energy companies and auto makers such as Ford and Nissan. The review did not involve Solyndra or Beacon Power, an energy storage company that also went bankrupt after receiving a federal loan. The government has lost a total of \$567 million from those two loans." (Matthew Daly, "Report: Energy Loans Could Cost \$3B," [The Associated Press](#), 2/10/12)

Allison Advised That Many Projects Were Likely To Seek Relief From Requirements In Loan Agreements. "DOE should aggressively strengthen its position as lender or guarantor in cases where borrowers seek relief from requirements in the loan agreements. Given the novelty, complexity and scale of the projects and the exacting covenants in their loan structures, the Independent Consultant believes that many projects are likely to seek such relief at some point during the term of the DOE loan or loan guarantee." ("[Report Of The Independent Consultant's Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio](#)," 1/31/12, p. 10)

Allison Was "Unable To Fully Obtain" All The Information That May Have Been Required To Evaluate The Loan

Recipients. “[T]he Independent Consultant was unable to fully obtain, and the Report does not contain, all of the information that may be required to evaluate any of the borrowers, other project participants, loans, assets, projects or other persons referenced in the Report.” (“ [Report Of The Independent Consultant’s Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio](#),” 1/31/12, p. 10)

Allison Was Somehow Not Able To Assess The Extent Of DOE’s Cooperation With His Requests When Assessing The Loan Program. “The Independent Consultant did not have subpoena authority or any other legal means to compel the production of documents and information from government agencies or from third parties. The Independent Consultant made requests for documents, interviews with relevant officials, and demonstrations of information technology tools used by DOE in connection with its monitoring of the Portfolio. While DOE provided substantial information and technical assistance in response to these requests, the Independent Consultant was not able to assess the extent of, or to require certification of, DOE’s compliance with these requests, and did not have access to any form of legal compulsion to require additional assistance.” (“ [Report Of The Independent Consultant’s Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio](#),” 1/31/12, p. 10)

Allison’s Recommendations For The Loan Program Were Completely Devoid Of Details And Substance

Allison Recommended That The Loan Program “Fill Key Positions In Management With Experienced Professionals.” “Fill Key Positions in Management with

Experienced Professionals" (" [Report Of The Independent Consultant's Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio](#)," 1/31/12, p. 10)

Allison Advised That The DOE "Define The Tools It Will Use, As Well As The Financial And Policy Goals It Will Pursue To Negotiate With Borrowers In Order To Protect The Taxpayers' Interest." "To strengthen its ability to protect the taxpayers' interest, DOE should define the tools it will use (e.g., seeking equity interests and stronger loan covenants) as well as the financial and policy goals it will pursue in negotiating with borrowers." (" [Report Of The Independent Consultant's Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio](#)," 1/31/12, p. 10)

Allison Advised That The DOE Define "Reasonable Prospect Of Repayment So That The Financial Goal For Managers Is Unambiguous." "The Title XVII program's statutory standard of 'reasonable prospect of repayment' is vague. DOE should provide clear guidance regarding the meaning of 'reasonable prospect of repayment' so that the financial goal for managers is unambiguous." (" [Report Of The Independent Consultant's Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio](#)," 1/31/12, p. 10)

Allison Recommended That The "DOE Should Improve Reporting To The Public By Providing Clearer, Broader Information To The Public On The Progress And Performance Of The Programs." "DOE should provide clearer, broader information to the public on the progress and performance of the programs and the portfolio." (" [Report Of The Independent](#)

[Consultant's Review With Respect To The Department Of Energy Loan And Loan Guarantee Portfolio,](#)" 1/31/12, p. 10)

THE MANY FLAWS THAT ACTUAL INDEPENDENT AUDITORS FOUND IN THE LOAN PROGRAM NEVER MADE IT IN TO ALLISON'S REPORT

The Government Accountability Office's Investigation Revealed Obama's Department Of Energy Favored Some Loan Applicants And Disadvantaged Others. "That's when the Government Accountability Office issued an unusually blunt assessment of the Energy Department's loan program in general, concluding that the department had 'treated applicants inconsistently, favoring some and disadvantaging others.'" (Matthew Most and Brian Ross, "Solyndra Collapse A 'Waste' Of Half A Billion By Obama, GOP Critics Say," [ABC News](#), 9/1/11)

- **The Government Accountability Office Issued A Report That Claimed "The Administration Didn't Do Its Due Diligence" When Celebrating The \$535 Million In Stimulus Funds For Solyndra.** "It's not his statements the administration will regret; it's the loan guarantees. The President was celebrating \$535 million in federal promises from the Department of Energy to the solar startup. The administration didn't do its due diligence, says the Government Accountability Office. 'There's a consequence if you don't follow a rigorous process that's transparent,' Franklin Rusco of GAO told the website iWatch News." (Scott McGrew, "Solyndra Filing A Disaster For Obama," [NBC Bay Area News](#), 8/31/11)

The DOE Inspector General, Gregory Friedman, Issued A Report That Said Obama's Clean-Energy Loan Program Is

Lacking In “Transparency And Accountability.” “Agents for Energy Department Inspector General Gregory Friedman, who has called the department’s clean-energy loan program lacking in ‘transparency and accountability,’ joined in the search yesterday at the Fremont, California, headquarters of Solyndra, which filed for bankruptcy protection on Sept. 6.” (Jim Snyder, “FBI Raids Bankrupt Solyndra as Lawmakers Question Panel Maker’s Finances,” [Bloomberg](#), 9/9/11)

- **Friedman Accused Obama’s Department Of Energy Of Failing To Maintain Emails About How Loan-Guarantees Were Awarded.** “Earlier this year, the Energy Department’s inspector general criticized the agency for not maintaining e-mails discussing how loan-guarantee winners were selected.” (Carol Leonnig, “After Solyndra Failure, Auditors Wonder What Other Bad Bets Obama Officials Made ,[The Washington Post](#), 9/1/11)
- **Friedman Found That The Loan Guarantee Program Couldn’t Always Demonstrate That They Resolved The Companies’ Risks Before Giving Out The Loans.** “Concerns about the program and its risk controls were raised several times by the Energy Department’s inspector general, Gregory Friedman. In a March 2011 report, Mr. Friedman said his office ‘found that the Loan Guarantee Program could not always readily demonstrate, through systematically organized records, including contemporaneous notes, how it resolved or mitigated relevant risks prior to granting loan guarantees.’ A report in 2009 also faulted the loan-guarantee program’s controls.” (Deborah Solomon, “Solyndra Said To Have Violated Terms Of Its US Loan,” [The Wall Street Journal](#), 9/28/11)

- **Friedman Found That Contracts Were Steered To “Friends And Family.”** “The Department of Energy’s inspector general, Gregory Friedman, who was not a political appointee, chastised the alternative-energy loan and grant programs for their absence of ‘sufficient transparency and accountability.’ He has testified that contracts have been steered to ‘friends and family.’” (Peter Schweizer, “Obama Campaign Backers And Bundlers Rewarded With Green Grants And Loans,” [Newsweek](#), 11/12/11)

PricewaterhouseCoopers Said There Was “Substantial Doubt” About Solyndra’s Viability. “But just weeks before Obama’s arrival, the company released sobering news from independent auditors evaluating its public offering plan.

PricewaterhouseCoopers said Solyndra’s losses and negative cash flow raised ‘substantial doubt about its ability to continue as a going concern.’” (Carol D. Leoning, Joe Stephens, and Alice Crites, “Obama’s Focus On Visiting Clean-Tech Companies Raises Questions,” [The Washington Post](#), 6/25/11)

Obama Pledged There Would Be An “Unprecedented Oversight Effort” For The \$833 Billion Stimulus. OBAMA: “Here in Washington, we’ve all seen how quickly good intentions can turn into broken promises and wasteful spending. And with a plan of this scale comes enormous responsibility to get it right. That is why I have asked Vice President Biden to lead a tough, unprecedented oversight effort – because nobody messes with Joe.” (President Barack Obama, [Address To Joint Session Of Congress](#), Washington, DC, 2/24/09)

NEW REVELATIONS ABOUT OBAMA’S PET STIMULUS DIRECTIVES – AND THEIR FAILURES

Solyndra

THEN: "The White House Went To Amusing Lengths To Stage-Manage Obama's Visit To Solyndra." "The White house went to amusing lengths to stage-manage Obama's visit to Solyndra. 'Can you confirm that his greets will be wearing their normal everyday work cloths and safety gear?' the advance team emailed. 'We want to make sure we have the construction worker feel.' Yes, confirmed, along with the twenty-foot-by-thirty-foot American flag, coffee and donuts for the press, and a robotic arm that would display a solar panel onstage during the president's speech. Also, the team wanted a solid backdrop behind Obama: 'Preferably not white. Something darker and matte (not glossy).'" (Michael Grunwald, *The New New Deal*, 2012, p. 384)

- **White House Officials Discussed Inviting Solyndra's Executives To The State Of The Union Address.** "There was even low-level White House discussion about inviting Solyndra's executives to sit in the First Lady's box during the State of the Union, to illustrate the president's theme of 'winning the future.' Obama's events director shot down that idea: 'Can't do Solyndra...they've run into some issues recently. :(' (Michael Grunwald, *The New New Deal*, 2012, p. 415)

NOW: Seagate Technology Will Pay \$90.3 Million For Solyndra's Building, Which Was Financed By Taxpayers."Seagate Technology Plc (STX.O), maker of hard drives and storage devices, has agreed to pay \$90.3 million for the former manufacturing plant and headquarters building of bankrupt Solyndra LLC, which was financed by a controversial

government loan, according to bankruptcy court documents.” (Ilaina Jonas, “Seagate offers \$90.3 Million For Solyndra Property: Court Filing,” [Reuters](#), 8/24/12)

A123 Systems

THEN: Chief Technology Officer Of A123 Said That, Thanks To The Stimulus, “You’re Going To See The Industry Reach Critical Mass Here.” “Thanks to the Recovery Act, A123 built its next two factories in Michigan. Four of its suppliers also won stimulus grants to build U.S. plants. So did one of its customers, Navistar, which retrofitted a shuttered RV factory in Indiana to make electric trucks for companies like FedEx. Another customer, Fisker automotive, snagged a federal loan to make electric cars in a shuttered GM plant in Delaware. ‘Without government, there’s no way would’ve done this in the U.S.,’ A123 chief technology officer Bart Riley told me. ‘But now you’re going to see the industry reach critical mass here.’” (Michael Grunwald, *The New New Deal*, 2012, p. 361)

NOW: China’s Wanxiang Plans To Invest \$450 Million In Obama-Funded A123 Systems, Taking An 80 Percent Stake. “China’s largest automotive parts supplier is poised to take control of U.S. battery maker A123 Systems (AONE.O), which received \$249 million green-technology grant from the Obama administration in 2009. China’s Wanxiang Group Corp plans to invest up to \$450 million in A123 Systems, taking an 80 percent stake in the U.S. company, A123 said on Wednesday.” (A. Ananthalakshmi and Paul Lienert, “China’s Wanxiang To Take Control Of Battery Maker A123,” [Reuters](#), 8/8/12)

- **After Receiving Taxpayer Dollars, A123 Warned Last Month It Only Has Enough “Cash To Fund Its Operations**

For Only The Next Four To Five Months.” “A123 warned last month that it had cash to fund its operations for only the next four to five months. A123 received more than \$200 million from venture investors before raising \$378 million in a 2009 initial public offering. That same year, it was awarded a grant under the Obama administration’s \$2.4 billion Electric Drive Battery and Component Manufacturing Initiative.” (A. Ananthalakshmi and Paul Lienert, “China’s Wanxiang To Take Control Of Battery Maker A123,” [Reuters](#), 8/8/12)

A New Smart Grid

THEN: On The Smart Grid, Obama Was Convinced That We Could “Just Go Build It.” “Obama thought the smart grid could be that something, a twenty-first century version of the interstates or the Internet, this time connecting Americans with digital meters (the smart part) and high-voltage wires (the grid part). ‘We said: ‘God, wouldn’t it be wonderful?’” Biden recalls. ‘Why don’t we invest \$100 billion?’” Browner shared Obama’s enthusiasm about the smart grid. She was eager to see the new transmission wires carry the wind of the Dakotas to the people of Chicago. But just go build it? Um...no. She explained that the feds didn’t need to build wires. Utilities could do that, and had money to do that. The holdup was that sitting high-voltage wires had become a maze of red tape, requiring approval from hundreds of zoning boards and other regulators, not to mention entire states that would derive no benefits from the lines slicing through their borders. This was not a problem that could be solved in a stimulus time frame. ‘I’m sorry, sir,’ Browner said. ‘We wouldn’t be able to spend the money.’ Obama would not drop

the issue." (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 124)

- **“[T]he Economy Has Fallen Off A Cliff, History Is Calling, And Really? I Can’t Just Do A Smart Grid?’ Orszag Recalls.”** “There was this sense of frustration. Here’s the first African American president, the economy has fallen off a cliff, history is calling, and really? I can’t just do a smart grid?’ Orszag recalls. ‘He really wanted a moon shot, and these seemed like such mundane reasons not to go big. But Carol said no, this is reality.’ Ultimately, Browner was right. The grid was not the interstate highway system. It didn’t make sense for the government to try to take it over.” (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 124)

NOW: The Smart Grid Plan Has Experienced All Kinds Of Delays. “Before the Recovery Act, almost every U.S. utility was at least starting to plan for a smart grid, and a few were already installing their first smart meters and other digital equipment. But while the passage of the stimulus accelerated the planning, because utilities had to think about their needs before applying for grants, it initially slowed down the installation, because utilities didn’t want to splurge on upgrades if there was a chance the feds could pay for them. So until Obama announced the winners in October grid investment froze, which was not the kind of responded the stimulus was supposed to stimulate. ‘It was frustrating. The utilities put everything on pause,’ says Raj Vaswani, chief technology officer for Silver Spring Networks, a Silicon Valley smart grid firm. And after Obama’s announcement, the awards were delayed again because utilities objected to

paying taxes on them.” (Michael Grunwald, *The New New Deal*, 2012, p. 312)

OBAMA'S WASHINGTON DURING THE STIMULUS WAS A “POLITICAL TOYS ‘R’ US”

“Washington Would Remain A Political Toys ‘R’ Us During The Obama Era, A Superstore For Childish Things.” “In his inaugural address, just before that laundry list of commitments he would honor through the Recovery Act, Obama Declared a new era of seriousness in Washington. ‘We come to proclaim an end to the petty grievances and false promises, the recriminations and worn-out dogmas that for far too long have strangled our politics,’ he said. ‘We remain a young nation, but in the words of the Scripture, the time has come to set aside childish things.’ That was one more false promise right there. Washington would remain a political Toys ‘R’ Us during the Obama era, a superstore for childish things. (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 176)

“Multibillion-Dollar Line Items Were Being Erased And Inserted With Casual Keystrokes.” “As multibillion-dollar line items were being erased and inserted with casual keystrokes, Obama aides who had served under President Bill Clinton occasionally paused to recall their futile push for a mere \$19 billion stimulus that had seemed impossibly huge in 1993, or their vicious internal battles over a few million bucks for beloved programs that suddenly seemed too trivial to discuss. And the Recovery Act’s initial estimate of \$787 billion turned out to be too low; the official price tag would eventually climb to \$831 billion.”

(Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 12)

Jared Bernstein, Biden's Chief Economist, Says "The Sentiment Was: Don't Feel Constrained." "The sentiment was: Don't feel constrained. Don't feel constrained. Don't build a tight corral around your thinking,' Bernstein recalls. Obama wanted iconic programs that would create a legacy of change, an updated version of The New Deal. And he urged his advisers to channel FDR's spirit of experimentation." (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 121)

Peter Orszag, OMB Director, Said "No Matter How You Structured It, You Couldn't Get Too Much Out The Door In 2009." "'No matter how you structured it, you couldn't get too much out the door in 2009,' Orszag says. 'It was okay if some of it wasn't so fast. You couldn't let the perfect be the enemy of the good.'" (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 163)

"Rahm Kept Pushing The Economists To Push Outside Groups To Push For More Stimulus, So Obama Wouldn't Look Like The Only Big Spender In Town." "Rahm kept pushing the economists to push outside groups to push for more stimulus, so Obama wouldn't look like the only big spender in town. If you need it, he said, then build the case for it." (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 120)

- **"And Rahm's Rule Was In Full Effect. When A Former Clinton Budget Aide On The Transition Reviewed The Green Team's Initial Proposals, His Reaction Was: You're**

Not Spending Enough.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 164)

“Nobody Had An Economic Theory To Justify \$800 Billion...” “The consensus in the room was that the final package should be below \$800 billion, and should have a much tighter focus on jobs. Nobody had an economic theory to justify \$800 billion, but it was the minimum Obama had said was needed to avoid a calamity, and more just sounded like it too much.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 219)

THE RESPONSIBILITY FOR THE STIMULUS LIES SQUARELY AT OBAMA’S FEET

“Congress Helped Shape It, But It Was Unmistakably An Obama Bill. And It Has Been Implemented In An Obama Way.” (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 20)

- **“It’s His Vision.”** (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 21)

“One Of The Enduring Criticisms Of The Stimulus Has Been That Obama Exploited An Emergency To Do Things He Wanted To Do Anyway. It’s True.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 161)

“A More Compelling Critique Of The Recovery Act Is That It Was A Hodgepodge. It Did Throw Cash At Just About Every

Problem Imaginable.” (Michael Grunwald, *The New New Deal*, 2012, p. 415)

Fit For The Job: Obama Had “Barely Located The Bathrooms” In The Senate Before Running For President

Obama Had “Barely Located The Bathrooms” In The Senate Before Launching His Presidential Campaign. “The president-elect may have campaigned as an outsider, but he stocked his administration with Capitol Hill insiders. Of course, Obama and Biden both came from the Senate, and while Obama had barely located the bathrooms before launching his presidential campaign, Biden had spent thirty-six years in the institution.” (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 129)

Obama Once Joked With Biden: “Look, You Were A Senator. I Was Never A Senator.”“(Obama once joked with him: ‘Look, you were a senator. I was never a senator.’)” (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 129)