

Business

Investor Wrong on Solyndra's Future Was Right About the Uproar

Jim Snyder

November 10, 2011, 12:24 AM EST

George Kaiser knew Solyndra LLC might cause him trouble from the start.

The billionaire campaign fundraiser for President Barack Obama, whose family foundation invested in the solar-panel maker that received \$535 million in U.S. loan guarantees, weighed the prospect for a political uproar well before the company collapsed, according to an e-mail released yesterday.

“S’pose an investigative reporter will ever make an association between an early Obama supporter and majority shareholder (through “his” charity) in the entity that received one-half billion (or two total billion) dollar loan guarantee(s)?” Kaiser wrote a business associate in the Feb. 7, 2010, e-mail.

“The truth is that the name of the company has never crossed your lips with the administration (not so with Congress) and we’ve certainly never lobbied for the company,” Ken Levit, the executive director of the George Kaiser Family Foundation, responded.

The exchange was in a trove of e-mails among Kaiser and his associates

released yesterday by members of the House Energy and Commerce Committee, which has been investigating Solyndra's guarantee since February. The company filed for bankruptcy protection on Sept. 6, after shutting a factory it built with the help of the loan guarantee for which taxpayers are on the hook.

Republicans cited passages they said showed Kaiser and the associates exerted political influence on Solyndra's behalf, while Democrats released excerpts they said showed Kaiser never lobbied for the company and that the administration made its decisions on the merits.

Biden's Staff

The communications cover a period after Solyndra was awarded the loan guarantee in September 2009, the first made by the Obama administration. Some of the e-mails refer to a second Department of Energy guarantee that the company sought and never received.

Among communications Republicans cited was a Feb. 27, 2010, exchange between Kaiser associates that described enthusiasm for Fremont, California-based Solyndra among aides to Vice President Joe Biden.

"They about had an orgasm in Biden's office when we mentioned Solyndra," Levit of the family foundation said in a Feb. 27, 2010, e-mail to Steven Mitchell, a managing director of Argonaut Private Equity, the investment arm of Kaiser's family foundation in Tulsa, Oklahoma.

"That's awesome! Get us a doe loan," Mitchell responded, referring to the Department of Energy.

A spokesman for the George Kaiser Family Foundation said yesterday that the e-mails don't undermine its contention that Kaiser never discussed the solar-panel maker's \$535 million loan guarantee with administration officials.

'No Discussions'

"To reaffirm our previous public statements, George Kaiser had no discussions with the government regarding the loan to Solyndra," Renzi Stone, a spokesman for the foundation, said in an e-mailed statement.

Republicans have "cherry-picked" from e-mails, including those provided by the administration in response to requests from the Energy and Commerce panel, a White House spokesman said yesterday.

"Nothing in the 85,000 pages of documents produced thus far" shows any "favoritism to political supporters," Eric Schultz, the spokesman, said in an e-mailed statement.

One of the communications that Republicans cited yesterday was a March 5, 2010, e-mail Kaiser wrote to Levit and Mitchell in which he said Solyndra came up in a meeting with "administration folks" a few weeks earlier.

'Poster Children'

"Every one of them responded simultaneously about their thorough knowledge of the Solyndra story, suggesting it was one of their prime poster children," wrote Kaiser, a supporter of alternative energy whose family made its fortune in the oil business.

Kaiser was responding to Mitchell, who sent an update on the status of Solyndra's request for a second loan guarantee of \$469 million.

Mitchell wrote that loan-program executive director Jonathan Silver “championed the cause” and that “things are headed in the right direction.” Silver resigned from the program last month.

The company and the department abandoned the proposal in October 2010, and Energy Secretary Steven Chu has said the second loan was never seriously considered.

The newly released documents contradict White House statements that “no political influence was brought to bear” on the award and that Kaiser “never discussed Solyndra during any of his 17 visits to the White House,” Representatives Fred Upton of Michigan and Cliff Stearns of Florida, who are leading the House Energy and Commerce probe, said yesterday in a letter to White House Counsel Kathryn Ruemmler.

‘Selective’ Release

Democrats on the committee said the “selective” release of e-mails by Republicans presented a misleading account. Kaiser “directly contradicted your interpretations of the documents you released today,” Representatives Henry Waxman of California and Diana DeGette of Colorado said in a letter yesterday to Upton and Stearns, citing a two-hour interview of Kaiser by the committee staff on Nov. 8.

“In his interview, Mr. Kaiser stated, ‘I never lobbied for Solyndra,’” the Democrats said.

In an e-mail on October 6, 2010, Mitchell, who was also a Solyndra board member, asked Kaiser to contact the White House. At the time, the company’s financial troubles were deepening, and it was seeking aid including a revised

loan and Defense Department contracts.

“The consensus is that a meeting with the new White House Chief of Staff is the best avenue,” Mitchell wrote.

Risk of Resentment

Levit said Solyndra's own representatives should pursue such issues. “Our relationship is based on completely different issues,” Levit wrote, referring to the foundation's charitable pursuits.

In an e-mail exchange the same day, Kaiser wrote to Mitchell that he doubted senior White House officials would intervene on Solyndra's behalf. If they did, “I am concerned that DOE/Chu would resent the intervention and your problem could get more difficult,” Kaiser said.

“I would see an appeal as only a last resort and, even then, questionable,” Kaiser said.

Mitchell said Solyndra had its own connections.

“The WH has offered to help in the past, and we do have a contact within the WH that we are working with,” he said.

Jason Martin, another Argonaut employee, pressed Mitchell to try again.

“Without DOE flexibility on loan terms, we will lose \$400MM. Are we expecting our conversations with the WH on our charitable initiatives to yield \$400MM cash?”

Dinner With Obama

In February of this year, Solyndra, its investors and the Energy Department negotiated new terms that put taxpayer debt behind \$75 million in new investment in a liquidation.

On Oct. 22, 2010, Kaiser served in his other role, as a fundraiser for Obama, at a dinner in Las Vegas.

“They sat me right next to Him,” Kaiser wrote in an e-mail to Levit. “Charming and incisive as always.”

Kaiser said he didn't try to pitch Obama on Solyndra, which was attempting to sell its U.S.-made solar panels to the Defense Department.

After talking about early childhood education, one of his favorite charitable causes, Kaiser said he did raise the question of a “Chinese subsidy” and the effect it was having on U.S. solar and wind companies.

“Even though I strongly believe in free trade -- I thought that a more aggressive trade policy with the Chinese was essential,” Kaiser wrote.

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