

Investigation Of The Solyndra Department Of Energy Disaster

Solyndra's Whorehouse Lender

- By [Bruce Krasting, My Take On Financial Events](#)

If you want to find out what happened with [Solyndra](#) you have to follow the money. I did. The half billion dollars of taxpayer dough that is probably lost in Sol came from the Federal Financing Bank (“FFB”). It’s worth a look at this bank to see what else is going on.

FFB is a bank that is owned and controlled by the US Treasury. The chairman of the Board is the TSec. ([Tim Geithner](#)). With the (big) exception of the Post Office all of the loans at FFB are guaranteed by government agencies. Technically speaking, FFB has no risks on loans guaranteed by an agency like the DOE. But I don’t think that should absolve Tim Geithner of any responsibility regarding the losses the country faces with Solyndra. If he, (*or anyone else at Treasury*) puts their pen to a ½ billion loan, **they better well know where the taxpayers money is going.** That didn’t happen.

FFB has been around for 40+ years. I believe it has always been a bank that has been used and abused by whoever happened to be running the show at Treasury. For example; from 9/30/2008 (*Pre - Tim and O*) to 9/30/2009 (*Post - Tim and O*) the FFB lent out \$17.1 billion to the nice folks at the National Credit Union Administration’s “**Liquidity Fund**”. NCU is the guarantor of the deposits in the country’s Credit Unions (similar to FDIC). They were up against it in 2009. They had no money left in the till to insure that those deposits would be safe. A bailout was needed to avoid a crisis. But rather than have a public debate about this, the FFB just borrowed some money and wrote a check to NCU. **Problem solved.**

The following are the balance sheet assets of the FFB for fiscal year end 2008 and 09. **Note that there were no outstanding loans guaranteed by the DOE in 08.** But a year later the number had jumped up to nearly a Bil. It was clear back then that the FFB was rapidly becoming a policy tool of the new administration. By June 30th 2011 the DOE-guaranteed loans at FFB has grown to \$5.2B. Clearly the Administration is (*was?*) using the bank to facilitate its objectives.

FEDERAL FINANCING BANK

Notes to Financial Statements
September 30, 2009 and 2008
(Dollars in thousands)

Loans receivable at September 30, 2009 and 2008, consist of the following:

Agency	2009	2008
Rural Utilities Service, Department of Agriculture	\$ 25,391,164	22,693,499
Credit Liquidity Fund, National Credit Union Administration	18,384,062	1,109,161
U.S. Postal Service	10,200,000	7,200,000
Rural Utilities Service, Department of Agriculture certificates of beneficial ownership	3,047,025	3,632,550
General Services Administration	2,037,215	2,097,771
Department of Energy	907,680	-
Low Rent Public Housing, Department of Housing and Urban Development	586,975	691,412
Foreign Military Sales, Department of Defense	545,376	680,365
Historically Black Colleges and Universities, Department of Education	453,298	338,466
Ship Leasing, Department of Defense, Navy	-	16,623
Small Business Administration	5,379	10,046
Veteran Administration Transitional Housing Program	4,889	4,940
Federal Railroad Administration, Department of Transportation	1,786	2,035
Total loans receivable	\$ 61,564,851	38,476,868

Handwritten red annotations: A bracket above the 2009 and 2008 columns spans from the first three rows to the 'Total loans receivable' row. A red arrow points from the 2008 total to the text '+\$17b'. Another red arrow points from the 2008 value for 'Department of Energy' to a red circle around the dash (-).

The borrowers identified as the beneficiaries of the FFB's deep pockets include:

Abound Solar

Arizona Solar – UNC

Beacon

Great Basin Transmission

Kahuku Wind Power

Solyndra

Solar Partner I

Solar Partner II

And Solar Partner(s) III – VIII

The names on this list are the problems-to-be for the DOE. (*I can't wait to find out who we are partnering up with on the I – VIII deals*)

The FFB/DOE has also been lending big bucks to some well know names.

Fisker Automotive, Inc.

Tesla Motors, Inc.

Ford Motors

These successful companies owe the FFB a total of \$3.8 billion. There is one company that I don't recognize. But they got \$35mm in May at a real fine rate:

GOVERNMENT-GUARANTEED LOANS

DOE-ADV TECHNOLOGY VEHICLES MFG

Tesla Motors, Inc.	3/03	\$1,634,715.00	9/16/19	2.385%	Qtr.
Tesla Motors, Inc.	3/03	\$5,735,723.00	9/15/22	2.860%	Qtr.
Vehicle Production Group	3/15	\$34,975,308.00	3/15/18	1.932%	Qtr.
Ford Motor Company	3/18	\$341,300,000.00	6/15/22	2.581%	Qtr.
Ford Motor Company	3/18	\$64,600,000.00	6/15/22	2.581%	Qtr.
Tesla Motors, Inc.	3/18	\$1,369,012.00	9/16/19	2.139%	Qtr.
Tesla Motors, Inc.	3/18	\$6,330,349.00	9/15/22	2.629%	Qtr.
Fisker Automotive, Inc.	3/24	\$9,265,000.00	4/24/17	1.786%	Qtr.

**\$400mm
for F, in
a month?**

Who's VPG? Nice rate on 35 mil!

The Post Office has \$12.9 large out with FFB. The PO has a debt limit of \$14b. They will hit that in 2012 (and then go broke). The FFB has been funding the operating deficits at the PO for years. When O took office it was \$7b. Playing, "**Hide the losses at the PO**" is a very old game in D.C.

The FFB also has an active role in providing the much needed lucre for **Foreign Military Sales**. As of June 30 there was \$349mm of IOUs. (I wonder who those "I"s are. Probably stable governments, *right?*) If you're keeping score, the amount outstanding when Bush left office was 50% higher than today.

\$33 billion (61% of FFB's book) is out to Rural Electrics. It would appear that many parts of the country don't have adequate utilities. Nor do they have the resources to fix the problems. The solution has been to lend them dirt-cheap money with functionally no maturity. This is just a silly accounting game to avoid recognizing that needed infrastructure expense(s) should have been in the budget long ago. This is a close-up of a section of the FFB report:

RURAL UTILITIES SERVICE

People's Coop. Svcs #2694	5/23	\$1,500,000.00	12/31/43	3.948%	Qtr.
Sumter Elec Coop. Inc. #2554	5/23	\$38,500,000.00	12/31/43	3.784%	Qtr.
East Kentucky Power #2322	5/24	\$1,813,000.00	12/31/40	3.829%	Qtr.
East Kentucky Power #2531	5/24	\$12,668,000.00	12/31/40	3.829%	Qtr.
East Kentucky Power #2768	5/24	\$24,000,000.00	1/03/45	3.942%	Qtr.
• High Plains #2924	5/24	\$9,300,000.00	1/02/46	3.813%	Qtr.
• Lake Region Elec. #2921	5/24	\$5,000,000.00	1/02/46	3.968%	Qtr.

I wanna go!

Note the long maturities and % rates. 35-year money for **Lake Land** (*sounds like a nice place*) at Treasuries +30. The following is a pic of all the re-financings for May and June. I shrunk it because it would just clutter the page; *it's that long*. Blow it up on your own or go to the [FFB site](#) and look up Press Releases. **This goes on every month of the year**. This stinks of boondoggle and pork. What are the administrative costs to oversee this? **There has to be a better way.**

MAY

JUNE

MAY 17/17/18 BOND

Northwestern State Univ. 4/20/18	4/20	\$1,174,003.94	12/03/40	4.375%	S/A
Wiley College 4/08	4/08	\$5,096,985.63	10/01/41	4.349%	S/A
Harris Stowe State Univ. 4/20	4/20	\$1,492,524.54	7/02/40	4.179%	S/A
Southern University 4/20	4/20	\$148,508.49	6/01/11	0.044%	S/A
Dillard University 4/27	4/27	\$323,206.58	6/01/11	0.026%	S/A
Florida Memorial Univ. 4/27	4/27	\$2,526,572.89	10/01/36	4.302%	S/A

JUNE 17/17/18 BOND

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I'm all for education. We're dead in the water without it. I think there is a role for the government to assist in this. **But the FFB? Why are they making loans?** Is this just another way to avoid an expense? What are these guys in D.C. thinking? Is everything "on the arm" down there? Again, a close up and the totals for two months. This is silly, right?

DEPARTMENT OF EDUCATION

Tuskegee Univ.	4/08	\$1,174,003.94	12/03/40	4.375%	S/A
Wiley College	4/08	\$5,096,985.63	10/01/41	4.349%	S/A
Harris Stowe State Univ.	4/20	\$1,492,524.54	7/02/40	4.179%	S/A
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Nice rates for Dillard and Southern. 0.026%???

A minor bad loan is the \$493mm of Hope Now Bonds. A good chunk of this is still in cash. But not for long. Treasury is going to use some of this money for the big mortgage ReFi that is in the offing. When that happens there will be hope of repayment of the Hope Bonds.

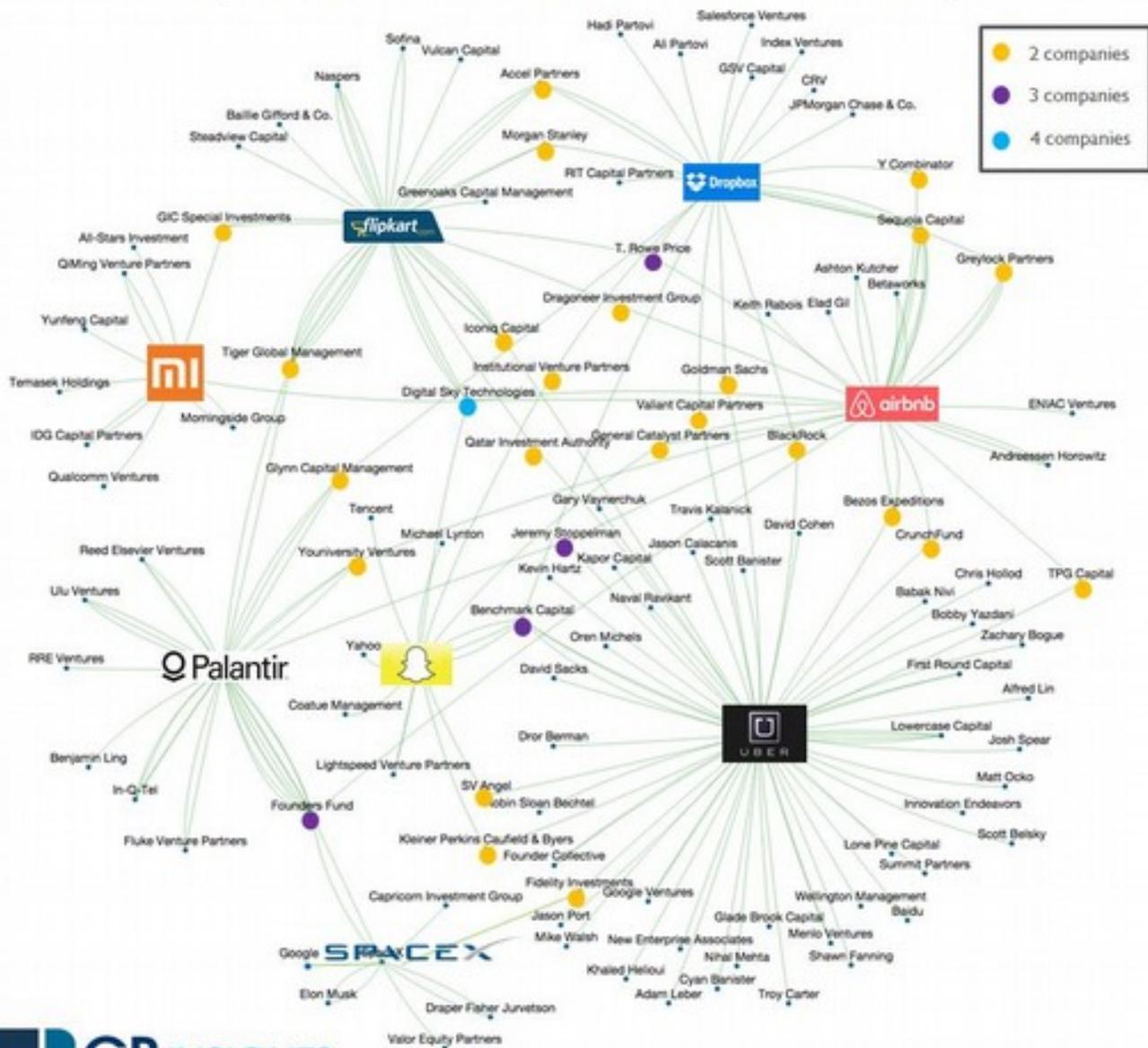
There is one more attractive feature for the Chairman of the FFB. With the exception of the notes from the PO, it's all off balance sheet. When the "Debt to the Penny" calculation is made by the Treasury, the (net of PO) \$33b at FFB borrowings are excluded.

In Wall Street terms, that makes the FFB a SPIV and it's a whorehouse.

Note: I've written about the FFB before. I smelled trouble with this bank. My nose was working.

[Here](#), [here](#), [here](#) or [here](#).

The \$10 Billion Club Investor Network Map



HALL OF FAME: MOST APPEARANCES ON LIST

JOHN DOERR

13

MICHAEL MORITZ

13

JIM BREYER

12

VINOD KHOSLA

10

PROMOD HAQUE

10

DOUGLAS LEONE

9

JOHN WALECKA

9

PETER WAGNER

9

HALL OF FAMERS NOT ON 2014 LIST (APPEARANCES): JAY HOAG (12), DAVID COWAN (11), WILLIAM FORD (9), KEVIN HARVEY (9).

TOP OF THE CROP

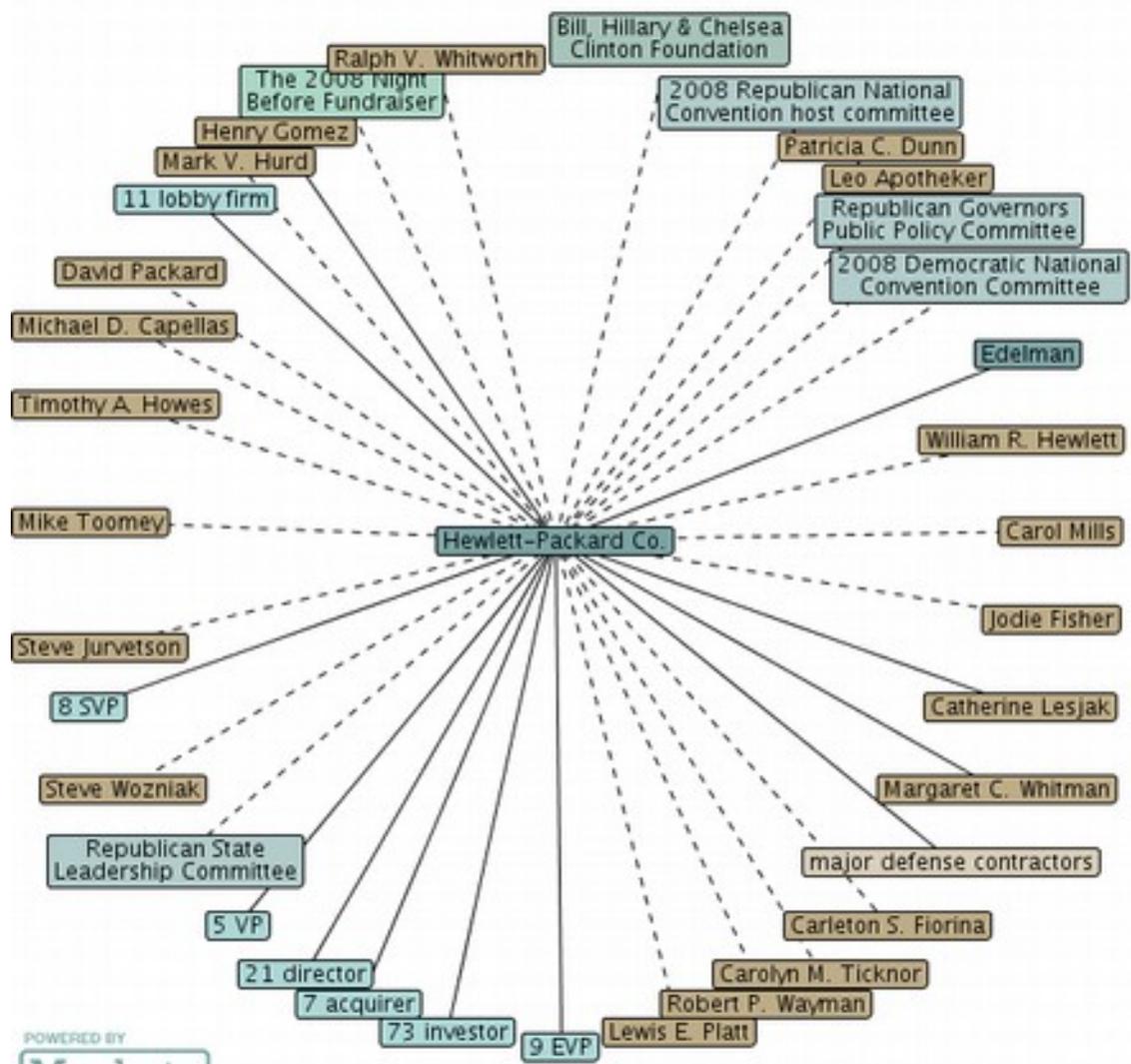
FIRMS THAT SCORE BIG EXITS PUT THE MOST PARTNERS ON THE MIDAS LIST.

PARTNERS ON LIST



EXITS >\$200M IN 2012

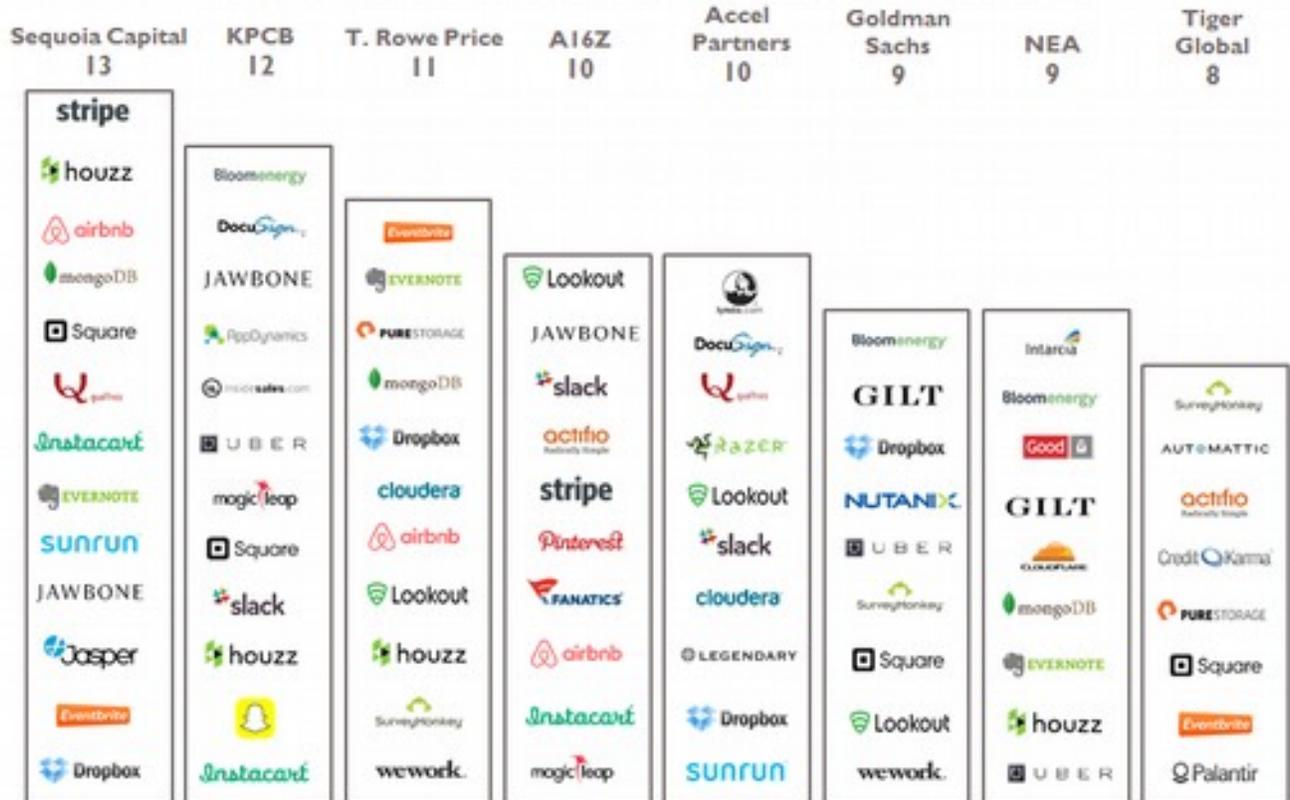


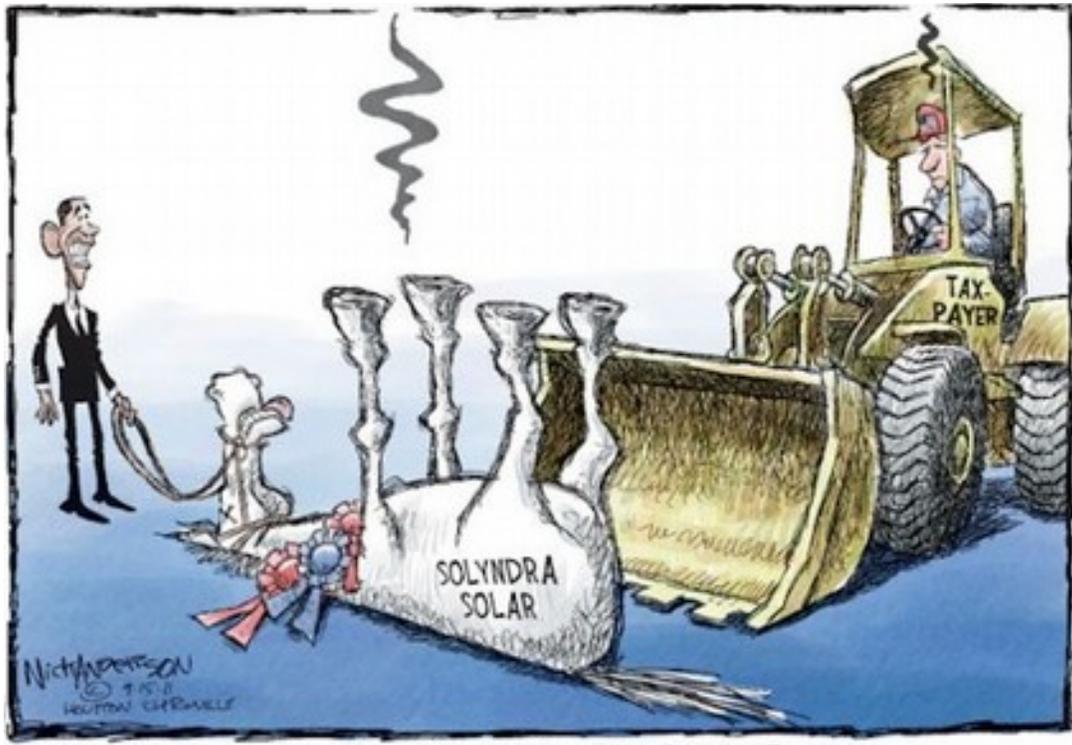


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Top Investors In The Current Billion Dollar Club





SHOVEL READY



Beware of Democrats bearing gifts?

McBee Strategic lobbyist Jeff Markey's bread is clearly buttered by Obama's various get projects, but public records show he donated only 7 times to Democrats and 47 times to Republicans since 2003. He even claimed to be an "Executive" of "BANC" in one donation to the National Republican Congressional Committee on April 30, 2004. That was a lie. How often does he lie to the American public?

Sources: <http://americans4innovation.blogspot.com/2013/05/white-house-scandal-spreads-to-leader-v.html>
<http://lobbyingdisclosure.house.gov/>
http://www.senate.gov/pagelayout/legislative/g_three_sections_with_teasers/lobbyingdisc.htm#lobbyingdisc-fec
<http://www.campaignmoney.com/advanced.asp>
<http://www.gpo.gov/fdsys/pkg/CRRG-111shr66493/html/CRRG-111shr66493.htm>
 Jeffrey D. Markey Political Contributions:
<https://docs.google.com/file/d/085qbn1V70urTik07Ml1X8JCM/edit?usp=sharing>

2005	May	<ul style="list-style-type: none"> Solyndra founded.
	July	<ul style="list-style-type: none"> Bush Administration signs the Energy Policy Act of 2005, creating the DOE 1703 Loan Guarantee Program.
2006	December	<ul style="list-style-type: none"> Solyndra applies for 1703 loan.
2007	Late 2007	<ul style="list-style-type: none"> DOE approves Solyndra loan as one of 16 companies ready to move forward with application process.
2008	November	<ul style="list-style-type: none"> Silicon prices remain high. Solyndra is very attractive to investors. Raising \$144 million; total now \$450 million.
	January	<ul style="list-style-type: none"> Bush administration takes Solyndra before a DOE credit review committee that remands the loan back to DOE for more information.
	March	<ul style="list-style-type: none"> The committee moves the strengthened loan application forward.
	June	<ul style="list-style-type: none"> Chinese silicon begins to hit the market and prices begin to drop. In the next two years PV prices would drop 50%.
	September	<ul style="list-style-type: none"> Solyndra raises an additional \$219 million venture capital. The DOE closes on the \$535 million loan guarantee after six months of due diligence. Application to closing the process took 3 years.
	January-June	<ul style="list-style-type: none"> PV prices continue to slide Investors and analysts question Solyndra's ability to compete. Solyndra pulls its IPO. Raises another \$175 million from investors.
	May	<ul style="list-style-type: none"> Obama visits Solyndra facility, is photographed holding tubes while talking with founder Chris Gronet.
	July	<ul style="list-style-type: none"> Gronet replaced as CEO.
	November	<ul style="list-style-type: none"> Solyndra closes Feb 1 facility. Company concentrates on DOE funded Feb 2, on time and on budget.
2011	February	<ul style="list-style-type: none"> Liquidity crisis. Investors provide \$75 million to restructure loan guarantee. DOE chooses to give the company a fighting chance.
	March	<ul style="list-style-type: none"> Republican Representatives complain that DOE funds are not being spent quickly enough. House Energy and Commerce Committee Chairman Fred Upton (R-MI): "despite the Administration's urgency and haste to pass the bill [the American Recovery and Reinvestment Act] ... billions of dollars have yet to be spent."
	August	<ul style="list-style-type: none"> Amidst falling PV prices, analysts worry that Solyndra cannot compete. DOE refuses to restructure the loan a second time.
	September	<ul style="list-style-type: none"> Solyndra declares bankruptcy. Closes manufacturing facility and lays off 1,100 workers.



Department of State: Division of Corporations

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Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

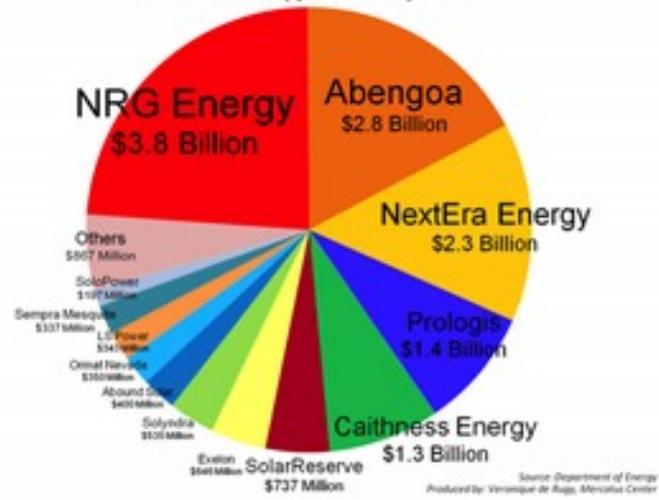
File Number:	5017141	Incorporation Date / Formation Date:	07/28/2011 (mm/dd/yyyy)
Entity Name:	SOLYNDRA SOLAR II LLC		
Entity Kind:	LIMITED LIABILITY COMPANY (LLC)	Entity Type:	GENERAL
Residency:	DOMESTIC	State:	DE

???

REGISTERED AGENT INFORMATION

Name:	CORPORATION SERVICE COMPANY		
Address:	2711 CENTERVILLE ROAD SUITE 400		
City:	WILMINGTON	County:	NEW CASTLE
State:	DE	Postal Code:	19808
Phone:	(302)636-5401		

Section 1705 Supported Companies



Federal Government

Energy Secretary (Clinton)
Energy Secretary (Clinton)
Energy Secretary (Clinton)
Staff : Energy Sec Richardson (Clinton)
WH Climate Change Task Frc (Clinton)
Jt. Chiefs of Staff (Clinton)
WH Office on Envir Policy (Clinton)
Staff: Sen. Cantwell (D) Rep. Dicks (D)
Staff: Sen. Cantwell (D)
Staff: Sen. Stabenow (D)
Staff: Rep. Dingell (D)
Energy Counsel: Sen. Bayh (D)
Staff: Rep. McDermott (D)
Chief of Staff: Sen. Moynihan (D)
Staff: Sen Conrad (D)
EERE, Energy Department (Obama)

Hazel O'Leary
Federico Pena
Bill Richardson
Rich Glick
Roger Ballentine
Wesley Clark
Murray Liebman
Steve McBee
Angela Becker-Dippmann
Noushin Jaharian
Dennis Fitzgibbons
Genevieve Cullen
James Allen
Nicholas Allard
Tobyn Anderson
Cathy Zoi

Green Energy

Exec VP (Northern States Power Co.)
Sr Adviser (Vestar Capital Partners)
Board Member (Terra Solar USA)
VP, Gov't Affairs (Iberdrola)
Board of Directors (Paragon Air. Tech.)
Co-Chairman (Growth Energy)
Lobbyist (Sure Power Corp.)
Lobbyist (Solyndra)
Lobbyist (Solyndra)
Lobbyist (Solyndra)
VP, Federal Affairs (First Solar)
VP/Lobbyist (EDTA)
Gov't Rel Rep (Puget Sound Energy)
Advisory Board (Clean Energy Sys)
VP/Lobbyist (Lighthouse Energy Grp)
Partner (Silver Lake Kraftwerk Fund)