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# Audit: Treasury's review of Solyndra 'rushed'



By **BOB KING** | 4/4/12 9:56 AM EDT

The Treasury Department's review of Solyndra's \$535 million federal loan guarantee was "rushed" through in about one day in March 2009, "based on an expedited review request from DOE so that a press release could be issued," according to a Treasury **inspector general report** (<http://www.treasury.gov/about/organizational-structure/ig/Agency%20Documents/OIG%20Audit%20Report>

[%20-%20Consultation%20on%20Solyndra%20Loan%20Guarantee%20Was%20Rushed.pdf](#)) that gives further evidence of the early Obama administration's eagerness to announce progress in funding clean energy.

The report, issued Tuesday, also quotes internal Treasury documents that portray the Energy Department as being under pressure to get the loan agreement out the door.

"DOE says that their hands are tied on this issue," the audit quotes one Treasury email as saying, discussing one detail of the financing terms. "They are under pressure to complete a deal."

Another internal Treasury email said that "the train really has left the station on this deal."

The report also found that DOE didn't consult with Treasury on the terms and conditions of the loan deal before or during the Energy Department's own review process, including the review of Solyndra's credit worthiness.

"On March 17, 2009, OMB informed Treasury's Office of Government Financial Policy (OGFP) that DOE would be issuing a press release on Solyndra," says the report, adding that "OMB strongly urged Treasury to contact the DOE Office of the Secretary if Treasury wanted to weigh in on Solyndra's terms and conditions."

A day later, Treasury got a draft press release from DOE announcing Solyndra's conditional loan guarantee commitment, the report says. "Treasury then agreed with a DOE request to expedite the review to March 19, 2009, so that the press release could be issued on the morning of March 20," it adds.

Treasury officials raised concerns during a conference call on March 19, including concerns about the deal's high debt-to-equity ratio and about whether DOE could claim Solyndra's intellectual property in the event of a default.

On March 20, DOE **announced** (<http://energy.gov/articles/obama-administration-offers-535-million-loan-guarantee-solyndra-inc>) that Energy Secretary Steven Chu had offered the \$535 million loan guarantee to Solyndra. The deal was closed that September.

The loan, while guaranteed by DOE under the 2009 stimulus law, was actually financed through Treasury's Federal Financing Bank.

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