

D.O.E. chief Steven Chu testifies in House, explains legality of Solyndra's loan restructuring

The House subcommittee on oversight and investigation has now heard from United States Department of Energy Secretary Steven Chu regarding the department's role in the loan guarantee approval and loan restructuring of now-bankrupt solar start-up Solyndra LLC.

ENVIADO POR: ECOSEED - BY JHOANNA FRANCES S. VALDEZ, 18/11/2011, 17:52 H | (5) **VECES LEÍDA**



Headed by Rep. Cliff Stearns, Republican of Florida, the [committee](#) questioned Mr. Chu about the \$535-million Solyndra loan guarantee, and whether or not the department took the necessary precautions to ensure that taxpayer money would go to a good investment, and that its approval process underwent due process.

"Our goal is to determine why D.O.E. and the administration tied themselves so closely to Solyndra, and why they were so desperate to repeatedly prop this company up. Why did D.O.E. make these bad decisions, and what can we do to prevent such a waste of taxpayer dollars in the future?" he said in a statement.

"But as our investigation has unfolded, many more questions have emerged about the loan guarantee to Solyndra, the subsequent restructuring and subordination of the taxpayer's money, and the extent of the White House's involvement," he added.

"This hearing shows that Secretary Chu failed to require appropriate oversight over the loan guarantee process, is unaware of the financial condition of the other loan guarantee recipients after two of the first three have filed for bankruptcy, did not seek legal input from the Department of Justice before subordinating taxpayers to two hedge funds, and is unable to identify who at D.O.E. asked Solyndra to withhold announcing impending layoffs until after the November 2, 2010 [mid-term] elections," Mr. Stearns said.

Mr. Stearns said the appointment of Herb Allison to review all of the [loan guarantees](#) and the call of President Barack Obama's campaign senior advisor Dan Carol to replace Mr. Chu is indicative that the White House is losing faith in the Energy Secretary.

"Chu has failed the test, and in my personal opinion I agree with Mr. Carol that he should be replaced by the President," Mr. Stearns added.

E-mail correspondence also showed that advisors for Argonaut, Solyndra's largest solar investor, discussed with D.O.E. impending loans layoffs at Solyndra, stating that the D.O.E. "did push very hard for us to hold our announcement of the consolidation to employees and vendors to Nov 3rd - oddly they didn't give a reason for that date".