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Solyndra saw staff "mutiny" before Obama visit



By **Roberta Rampton**

WASHINGTON | Thu Dec 1, 2011 5:21pm EST

(Reuters) - In the weeks leading up to a visit by President Barack Obama to Solyndra on May 25, 2010, the California solar-panel maker was in crisis.

Prices for solar panels were in free-fall and the company's chief executive officer was bickering with customers unhappy with the amount of electricity produced by the cylindrical panels he invented, according to new e-mails released by Republicans investigating the now-bankrupt company.

An initial public offering was on the skids, and finally, there was a "mutiny" by the company's entire executive team, who flagged the crisis to the company's board of directors.

The e-mails between senior advisers to George Kaiser, a major investor in the company, provide the best view yet into how problems took root early at Solyndra.

The company had received a \$535 million federal loan guarantee in 2009 and was held up by the Obama administration as an example of how it could help create green jobs.

Behind the scenes, Kaiser's Argonaut Private Equity was trying to right the flailing company. "To put it bluntly our poster child of private equity is acting up something fierce," a senior official from the George Kaiser Family Foundation said in an internal e-mail dated May 8, 2010, warning Solyndra's long-term business plan was in jeopardy.

The new emails highlight how the government backed a company that was in trouble from its early stages, giving more fuel to critics who believe the government threw good taxpayer money after bad.

Energy Secretary Steven Chu's top adviser on stimulus projects brushed aside White House questions about financial red flags ahead of Obama's May 25 visit.

The investment has become politically embarrassing for the administration in the 2012 presidential election race. Last month, Republicans grilled Chu about why he approved the restructuring plan, which kept the company going after it ran out of cash in late 2010.

Chu has staunchly defended his department's decisions as trying to get the best return for taxpayers. The department's inspector general, an independent watchdog, is probing the loan, with

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By Hugo Dixon
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