

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

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<https://oversight.house.gov>

January 18, 2022

Mr. Dev Jagadesan
Acting Chief Executive Officer
U.S. International Development Finance Institution
1100 New York Avenue, NW
Washington, DC 20527

Dear Mr. Jagadesan,

We are conducting oversight of the U.S. International Development Finance Institution's (DFC) recent \$500 million loan to First Solar, Inc. The loan, which is DFC's "largest single debt financing transaction," raises questions about the involvement of political considerations in the analysis and decision-making processes at the DFC.¹ On December 7, 2021, DFC approved the loan to First Solar, an American manufacturing company owned by Lukas Walton.² Mr. Walton is a prolific donor to Democrats—contributing \$300,000 to President Joe Biden's campaign in 2020 and over \$100,000 to the Democratic National Committee in the same year.³ We are concerned the close relationship between Mr. Walton and the Biden Administration may have played a role in securing financing for First Solar at the expense of American taxpayers.

The \$500 million loan to First Solar will support construction for a solar module manufacturing facility in Tamil Nadu, India.⁴ DFC's press release indicates the loan to First Solar will support President Biden's Build Back Better World (B3W) Initiative—linking directly to the White House website.⁵ Unfortunately, this is not the first time that a Democrat Administration has provided loan guarantees to First Solar because of its political connections.

The Obama Administration awarded a \$4.5 billion dollar loan to First Solar in 2011.⁶ In 2012, a House Oversight Committee investigation of federally-backed loan guarantees revealed

¹ U.S. INT'L DEV. FIN. CORP, Press Release, *DFC Announces Approval to Provide up to \$500 Million of Debt Financing for First Solar*, (Dec. 7, 2021).

² *Id.*

³ Alana Goodman, *Biden Megadonor Scores \$500 Million Federal Loan for Solar Company*, THE WASH. FREE BEACON (Dec. 10, 2021).

⁴ DFC Press Release, *supra* note 1.

⁵ *Id.*

⁶ Matt Daily & Tom Doggett, *First Solar Plants Win DOE Loan Guarantees*, REUTERS (June 30, 2011).

that financing was given to companies with similarly situated political connections.⁷ With regard to First Solar’s loan, the Committee found that First Solar’s loan was deficient because the technology was not “innovative”—failing a direct requirement of the loan conditions.⁸ The Biden Administration similarly appears to be throwing American taxpayer money at questionable technologies to repay political debts.

President Biden has also been directly involved with questionable loan schemes at the expense of taxpayers. In 2009, then-Vice President Biden announced a \$535 million loan for Solyndra, a now defunct solar energy company.⁹ Within one year of receiving the loan, Solyndra was in financial trouble and forced to lay off over 170 employees and one year later the company filed for Chapter 11 bankruptcy.¹⁰ After extensive probing by Congress, including this Committee, it was determined that the U.S. Department of Energy mismanaged its loan programs and let political influences dictate certain loans.¹¹ We must ensure that federal financing and loan programs are good stewards of taxpayer money by operating in a transparent manner, free from political interference and not subject to the whims of the current political climate.

Given Mr. Walton’s extensive history fundraising for Democrats, this loan raises questions about what role his political contributions may have played in DFC’s decision to grant this loan. In order for Committee Republicans to better understand the potential conflict of interest relating to First Solar’s political connections with the Biden Administration, please provide the following documents and information as soon as possible but no later than February 1, 2022.

- (1) All documents and communications from January 20, 2021 to present, between the U.S. International Development Finance Institution and the White House referring or relating to First Solar.
- (2) All documents and communications from January 20, 2021 to present, related to any meetings that occurred between Mr. Lukas Walton or his representative or agent and the U.S. International Development Finance Institution.

⁷ STAFF OF H.R. COMM. ON OVERSIGHT AND GOV’T REFORM, 112TH CONG., REP. ON THE DEP’T OF ENERGY’S DISASTROUS MGMT. OF LOAN GUARANTEE PROGRAMS (Comm. Print 2012).

⁸ *Id.*

⁹ *Vice President Biden Announces Finalized \$535 Million Loan Guarantee for Solyndra*, THE WHITE HOUSE OF PRESIDENT BARACK OBAMA: BRIEFING ROOM (Sep. 4, 2009).

¹⁰ Carol Leonnig & Joe Stephens, *Solyndra: Energy Dept. Pushed Firm to Keep Layoffs Quiet Until After Election Day*, THE WASH. POST: POLITICS (Nov. 15, 2011); Joel Rosenblatt, *Solyndra Files Plan to Reorganize in Chapter 11 Bankruptcy*, Bloomberg: Business (Jul. 28, 2012).

¹¹ STAFF OF H.R. COMM. ON OVERSIGHT AND GOV’T REFORM, 112TH CONG., REP. ON THE SOLYNDRA FAILURE: PREPARED FOR THE USE OF THE COMM. ON ENERGY AND COMMERCE (Comm. Print 2012).

Mr. Dev Jagadesan

Page 3

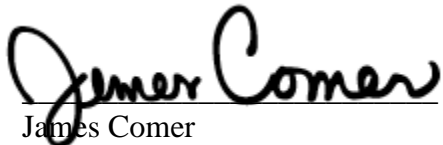
January 18, 2022

- (3) All documents and communications from January 20, 2021 to present, referring or relating to the DFC loan financing issued to First Solar, including but not limited to the loan application documents and the surrounding conversations and documents.

Additionally, please make arrangements to brief Committee Republican staff on this matter no later than January 25, 2022.

To schedule the briefing or ask any follow-up questions, please contact Committee on Oversight and Reform Republican staff at (202) 225-5074. The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X.

Sincerely,



James Comer
Ranking Member
Committee on Oversight and Reform



Ralph Norman
Ranking Member
Subcommittee on Environment

cc: The Honorable Carolyn Maloney, Chairwoman
Committee on Oversight and Reform

The Honorable Ro Khanna, Chairman
Subcommittee on Environment