

US probe finds no 'misconduct' in Kodak loan: report

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A US watchdog report has found no "evidence of misconduct" in the processing of a government loan to Kodak that was subsequently suspended pending investigations into the deal, the Wall Street Journal reported Sunday.

The inspector general of the US International Development Finance Corporation (DFC), which had granted Kodak a \$765 million loan in July, gave the report to Senator Elizabeth Warren, the paper reported.

The loan was intended to support the former photo giant's launch of a new pharmaceutical venture, as part of a program to boost US pharmaceutical capacity in the wake of the coronavirus pandemic.

Warren had asked for a review of President Donald Trump's administration's decision to grant Kodak the massive public loan.

Several Democrats in the House of Representative were also surprised by the loan, since Kodak had failed in previous forays into the pharmaceutical market and was on the verge of bankruptcy in 2012.

The loan was granted after Trump in May signed an executive order aimed at encouraging domestic production of materials needed to fight COVID-19.

The order's aim was to mobilize the private industrial sector for the country's security needs, so that it can produce up to 25 percent of the

active ingredients needed to prepare [generic drugs](#) in the US.

But doubts were quickly raised over the ability of Eastman Kodak to produce so many [active ingredients](#) quickly.

The company' [share price](#) had soared following the announcements of the loan, raising suspicions of insider trading.

According to the DFC inspector general, the investigation revealed no "evidence of misconduct" in the loan's grant, the Journal said.

Neither the DFC nor Kodak responded when asked for comment Sunday.

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