

# The Obama Administration Is Stonewalling All Corruption Investigations



Green energy seems to be the topic of the day.

Those who have been following the story know that the real issue is cronyism—the Obama administration’s practice of rewarding its donors and political allies with taxpayer money. Of course, the line between cronyism and outright corruption is a fine one, at best. Accordingly, Jeff Sessions, ranking Republican on the Senate Budget Committee, and Darrell Issa, Chairman of the House Committee on Oversight and Government Reform, have been looking into the procedures followed by the Department of the Interior and the Department of Energy in approving taxpayer loans and guarantees to “green energy” companies. A Budget Committee aide gave us this background:

On November 21, 2011, and again on February 17th, 2012, Budget Committee Ranking Member Jeff Sessions requested that the Department of the Interior (DOI) produce documents and communications related to seven energy projects approved by Secretary Salazar under a new “fast-tracking” process. These seven projects all received Section 1705 (stimulus) loan guarantees from the Department of Energy (DOE), and several also received 1603 grants from the Department of Treasury. To date, DOI has failed to comply with Sessions’ oversight request.

The new “fast-tracking” process created by Secretary Salazar for renewable energy projects creates a two-tiered system for approving projects on federal lands—with politically favored, and often connected, renewable energy plans receiving less rigorous review than traditional energy projects. Environmental and regulatory reviews can take as long as 14–16 years for oil and gas leases, but many of these favored projects were pushed through in less than a year—and awarded on a no-bid basis. DOI also cut short the public comment period for at least one project (BrightSource), despite significant local opposition.

In addition to the environmental groups like the NRDC and the Sierra Club, unions like SEIU have also joined an umbrella organization (the BlueGreen Alliance) to lobby for federal funding for “green” projects. Collectively, these groups have been involved in hundreds of lawsuits with the federal government over stopping fossil energy projects. Key political appointees at the DOI are former employees of the NRDC and other environmental groups.

Like the Department of Energy, DOI did not adequately vet the financial health of several of these favored companies. The failures of Solyndra and Beacon Power are well known, and reports indicate that at least two other companies (Nevada Geothermal and First Solar) may go bankrupt in the near future. But as ABC News reported, a pattern has emerged whereby green energy firms receive taxpayer dollars and then file for bankruptcy—“but not before the firms doled out six-figure bonuses and payouts to top executives.”

The connections between executives involved in the green energy companies under investigation and the Obama administration and, more broadly, the Democratic Party are eye-opening:

The companies behind these projects have extensive political connections to the Administration and senior members of Congress.

\* Commerce Secretary John Bryson – Prior to becoming Commerce Secretary, Mr. Bryson was CEO of Edison International, a company that secured exclusive purchase rights for four solar projects in California. He also served on the boards of BrightSource and KKR, two companies that owned or invested heavily in similar projects. Sec. Bryson cofounded the Natural Resources Defense Council (NRDC), the lead environmental group that secretly negotiated many of the agreements to secure federal funding. (Mr. Bryson was succeeded in his role as chairman of BrightSource’s board by Richard Kelly, a former donor to Sec. Salazar.)

\* John Woolard, CEO of BrightSource Energy – Mr. Woolard had 10 meetings at the White House, and donated almost \$22,000 to Democrats from 2008 to 2012 (including \$2,000 to President Obama, \$4,000 to Majority Leader Reid, and \$4,000 to the DCCC). He held a fundraiser for Sen. Reid in 2010 at the BrightSource headquarters.

\* Michael Ahearn, founder and CEO of First Solar – Mr. Ahearn and his wife have donated over \$120,000 to Democrats since 2008. He sold \$69 million in shares in August, when his company’s project was approved. Stock has since fallen by over 50 percent.

\* Steve Black, Counselor to Sec. Salazar – Mr. Black and his Special Assistant, Janea Scott, repeatedly contacting career staff in the field with concerns about the slowness or delays in approving the projects—an unheard of practice in the area of oil and gas leases.

\* Kathleen (Kathy) Weiss, lead lobbyist / VP for First Solar – Ms. Weiss had 16 meetings at the White House with Valerie Jarrett and other senior Administration staffers. In 2008, she donated \$2,300 to then-Sen. Salazar and \$2,000 to Senator Reid.



The Obama administration is stonewalling Congress's efforts to get information about the communications that led to the green energy loans and loan guarantees that have now developed into a scandal. Thus, earlier today Sessions and Issa wrote to Ken Salazar, Secretary of the Interior, to request once again the relevant documents relating to the transactions in question. In conjunction with that letter, they released this statement:

Last November, a request was made of the Department of the Interior for information and answers about its role in the Department of Energy's green energy loan guarantee program, as well as favorable loans and federal land-use deals provided to certain corporations. These lucrative deals were provided to well-connected firms on a much faster timeline and with fewer restrictions, including environmental, than those applied to traditional energy products that often provide a better value for taxpayers.

It is suggestive and troubling that more than half a year has passed without DOI providing the requested documents and information. Our concern is heightened given the serious nature of the questions raised and the government's pattern of indiscretion in providing government assistance to politically connected green energy companies such as Solyndra.

The information currently accessible to the public raises the question of whether these companies received approval to use federal lands and taxpayer monies based not on the best value for the American people but the political clout of the recipients. Given the taxpayer dollars at risk, at a time of fiscal crisis, Interior's failure to provide answers is unacceptable. These questions warrant an expeditious and thorough response, and we intend to ensure we receive one.

Until now, the Obama administration has generally been regarded as incompetent rather than scandal-ridden. That stereotype may be too generous. The administration is incompetent, yes; but it has become increasingly clear that some of what has been chalked up to ineptitude is really corruption.

**Green Corruption: Department of Energy "Junk Loans" and Cronyism, Part One**  
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While the media was “tripping out” over Energy Secretary Chu giving himself “an A grade on controlling the cost of gasoline at the pump” during his testimony before a House panel last month, they missed the real scandal!

As insulting as that seems (especially since gas prices have significantly increased under Chu’s watch), Gene Koprowski of The Daily Caller unleashed the most outrageous part of the House Oversight’s investigation — “Obama energy officials funded solar firms despite ‘junk bond’ ratings from S&P and Fitch.” Koprowski detailed the Department of Energy’s (DOE) lack of caution in backing hundreds of millions of dollars in loans for “tainted solar power projects.” Also documented are “other dramatic abuses at the green energy firms,” the most egregious being those firms which, received DOE funding, went bankrupt, “but not before paying their executives bonuses.”

In fact, the report released last month by the Committee on Oversight and Government Reform (led by CA Representative, Darrell Issa) “painted a startling picture of mismanagement at the Department of Energy.” The most damaging is that of the 27 loan guarantees under the 1705 program, of which the DOE doled out in excess of \$16 billion, “23 of the loans were rated “Junk grade” due to their poor credit quality, while the other four were rated BBB, which is at the lowest end of the ‘investment’ grade of categories.” According to Issa’s Team, the DOE’s 1705 loan portfolio overall average was BB-.” Now, I’m no financial guru, but I wouldn’t want that grade on my report card.

So why did the DOE back so many high-risk investments, particularly at a time when we are drowning in a tsunami of debt?

In a gripping line of questioning, Ohio Representative Jim Jordan confronted this issue head on during that same hearing where he pressed Secretary Chu on nine of the firms that received loans, revealing their political connections. Chu countered that the loans were based on merit. Yet Jordan was perplexed, “so if you weren’t helping your buddies, and you were basing your decisions on the merits of the loan, how do you explain the fact that 23 of 27 recipients of the loan guarantees were rated as junk status investments?” Jordan concluded, “If it wasn’t your political buddies, it had to be incompetence.”

Finally, the probe into the DOE and how they “pick winners and losers” for “green ventures” has gone in the right direction, however, Congressman Jordan overlooked the fact that it’s not just nine — it’s the majority of the 27 projects recorded by Issa’s Team.

Read more: <http://blogcritics.org/politics/article/green-corruption-department-of-energy-junk/#ixzz1tXxF1FGy>