



Congress Probes “Green Energy” Loans, Wasted “Stimulus”

Congress is investigating a series of questionable “green” loans made by the Obama administration to a variety of dubious companies, more than a few of which later went bankrupt costing taxpayers billions of dollars. But despite repeated requests, Energy Secretary Steven Chu has so far failed to testify on the matter, forcing Rep. Darrell Issa (R-Calif., left) to warn him of a potential subpoena if cooperation is not forthcoming.



In a letter sent to Chu last week and released on Monday, Chairman Issa of the powerful House Oversight and Government Reform Committee blasted the Department of Energy (DOE) for failing to cooperate with the investigation. He also noted that the DOE’s “stimulus” programs for so-called green energy have been a disaster responsible for billions of “wasted” tax dollars.

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“The Committee is actively investigating the DOE’s implementation of the American Recovery and Reinvestment Act which has been plagued by missed goals, waste of taxpayer funds, and loan guarantees to companies that have failed,” Issa explained. “Your in-person testimony is vital to our oversight.”

Secretary Chu, however, has repeatedly defied the multiple requests by Congress to appear for a hearing. First, the excuse was scheduling conflicts. When the Committee offered an array of different dates far in advance, the department responded that other DOE officials would be better qualified to testify.

But Rep. Issa is not buying it.

“I am amazed that your staff thinks that you are not qualified to discuss DOE’s Recovery Act-related work,” Issa told Chu in the letter posted on the Committee’s website. “While some have questioned your ability to manage DOE’s broad responsibilities, I believe that as Secretary of DOE you are best suited to discuss ‘an extremely broad topic’ that involves many facets of DOE activity.”

Energy boss Chu has already been given numerous opportunities to appear before Congress voluntarily. But if he continues to stonewall, Issa noted, the committee will be forced to consider the use of “compulsory process” within the next two months — in other words, issuing a subpoena forcing Chu to appear.



Written by [Alex Newman](#) on February 8, 2012

“The American people have a right to know why DOE, under your leadership, has wasted billions of dollars of their money,” Issa’s letter concluded. In recent months, the Congressman has brought attention to several suspicious and costly debacles.

The House Energy and Commerce Committee is already investigating the Solyndra scandal, which [bilked taxpayers](#) out of more than \$500 million when the [well-connected](#) “green” company declared bankruptcy last year. The Oversight Committee, meanwhile, is examining the broader DOE loan-guarantee program as other tax-funded companies continue to go bust.

Among the DOE-sponsored firms being investigated by Issa’s Committee is Beacon Power, which quickly went bankrupt despite tens of millions in taxpayer funds. Another firm, Nevada Geothermal, was already on the verge of failure when the federal government approved a \$100-million loan guarantee.

In early January, Rep. Issa sent letters to Chu requesting relevant documents and raising serious concerns about the overall process involved in handing out the taxpayer money. In the case of Nevada Geothermal, Issa suggested the DOE loan guarantee was nothing but a “bailout” to the creditors of the crumbling firm.

“Not only does it appear that DOE purposely directed taxpayer funds at a failing enterprise, DOE’s action robbed taxpayers of genuine investment toward renewable energy,” Rep. Issa charged, saying the swindle appeared to be unlawful. “Paying off a creditor clearly does not maximize job creation and economic benefits. In fact, it provides an opportunity for private industry to exit an investment, deleverage and transfer the extraordinarily high default risk to taxpayers.”

So far the DOE has provided some documents to the relevant committees. But there is a lot of explaining left to do, congressional investigators believe. And Chu, who testified before a House Energy and Commerce Committee panel in November, must cooperate for Congress to find out what was going on.

Members of the House Energy and Commerce Committee, meanwhile, are also running into stonewalling by the Obama administration in the [investigation of Solyndra](#). Republicans plan to formally object to the White House’s response in the not-too-distant future. And if nothing changes, there will be consequences.

“We’re going to be laying out the case [that] they’ve not complied,” Rep. Cliff Stearns (R-Fla.), chairman of the Committee’s Oversight & Investigations Subcommittee, was quoted as saying by Politico.com. GOP congressmen might even consider contempt of Congress charges if the administration continues to resist. “Everything is still on the table,” Stearns added.

Despite the concerns of Congress, a spokesperson for the DOE claimed the department was trying to cooperate with the Oversight Committee’s investigation. “We are working with [Issa’s] staff to find a suitable date and witness for the Committee’s latest hearing request,” spokeswoman Jen Stutsman was [quoted as saying](#) by *The Hill*. “The Secretary continues to hope for a constructive dialogue with members in both parties on how American workers can compete for the growing, \$260 billion global clean energy industry.”

Rep. Issa and the Oversight Committee he chairs have been attempting to hold the Obama administration accountable on a broad range of issues beyond the ongoing DOE scandals, earning praise from activists nationwide. As with the difficulties in investigating the “stimulus” and “green energy” fiascos, however, the executive branch has largely refused to fully cooperate.



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Last year, after whistleblowers exposed the federal government's deadly "Fast and Furious" gun-trafficking program that unlawfully sent weapons to Mexican drug cartels, congressional Republicans began investigating. Attorney General Eric Holder and other top officials [responded with lies](#), defiance, and a half-baked coverup that continues to outrage investigators and activists to this day.

More recently, the *New York Times* blew the whistle on the Drug Enforcement Administration's suspicious money-laundering activities. Again, Issa and the Oversight Committee [promised to investigate](#). So far, however, little new information has been revealed to the public.

No one has been held criminally accountable yet for the federal gun-running or money-laundering schemes despite repeated public calls for accountability. Holder insists an "internal investigation" will eventually produce a few lower-ranking officials who can be blamed.

Still, more vocal critics say the congressional hearings and investigations are largely missing the point: Subsidies to favored companies are not authorized by the Constitution in the first place. Neither, for that matter, is the Energy Department. Or the Bureau of Alcohol, Tobacco, Firearms and Explosives (still known as ATF). Or the DEA.

If Congress was serious about stopping the widespread abuses, all it would have to do is de-fund the alphabet soup of unconstitutional agencies and departments that are running wild and burning through taxpayer money. Simply obeying the Constitution would eliminate countless problems lawmakers on both sides of the aisle purport to be concerned about.

And despite his public crusade to rein in the some of the Obama administration's excesses, Issa has his own "green" skeletons in the closet, too. As [reported](#) by *The New American* last year, the Congressman sent Chu a letter in 2010 asking the DOE to provide federal loans to an electric car manufacturer in his California district.

President Obama and congressional Democrats blasted the apparent hypocrisy and made a mockery of Issa's efforts to hold the administration accountable. Even some conservatives found it hard to defend the powerful Republican in the face of his past statements seeking "green" funds for his district, though at least he voted against the failed "stimulus" bill.

Where the investigation of the wasted "green-energy" billions will go remains to be seen. But analysts suspect that, despite the tough rhetoric, business as usual will continue in Washington until the federal government and all of its subsidized boondoggles are officially declared bankrupt.

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