

Congress of the United States

House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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August 3, 2023

The Honorable Jennifer Granholm
Department of Energy
1000 Independence Ave SW,
Washington, DC 20585

Dear Secretary Granholm:

This Congress, House Science Committee Republicans have prioritized oversight of ambiguous conflict-of-interest procedures at the Department of Energy (DOE) and DOE's well-documented culture of disregard for standard public disclosure requirements¹. Despite some productive engagement with DOE on these issues in hearings and briefings in response to our oversight inquiries², your recent comments on your own conflicts of interest have renewed and substantially increased the Committee's concerns.³

On April 20, 2023, during a Senate Energy & Natural Resources (ENR) Hearing *to Examine the President's Budget Request for the U.S. Department of Energy for Fiscal Year 2024*,⁴ Senator Josh Hawley asked you specific questions regarding your personal financial holdings including, "Do you own any individual stocks?" You responded, "No, I am invested in mutual funds." On June 9, 2023, you sent a letter to ENR Chairman Joe Manchin to correct this statement

¹ Rebecca Ballhaus, Brody Mullins, Chad Day, Coulter Jones, *Hundreds of Energy Department Officials Hold Stocks Related to Agency's work Despite Warnings*, Wall Street Journal, February 22, 2023, at <https://www.wsj.com/articles/hundreds-of-energy-department-officials-hold-stocks-related-to-agencys-work-despite-warnings-73198908>

² https://republicans-science.house.gov/_cache/files/8/b/8b3feb82-4845-4194-99cc-ea33019ed594/8B3D64F610664422D8A2016E3128A356.2023-04-05-doe-conflicts-of-interest-letter.pdf

³ Letter from Jennifer Granholm, Secretary of the Department of Energy, to Joe Manchin, Chairman of the Senate Energy and Natural Resources Committee, (June 9, 2023).

⁴ Senate Committee on Energy and Natural Resources (ENR), 118th Congress, 1st Session, Full Committee Hearing, *to Examine the President's Budget Request for the U.S. Department of Energy for Fiscal Year 2024*, April 20, 2023, at <https://www.energy.senate.gov/hearings/2023/4/full-committee-hearing-to-examine-the-president-s-budget-request-for-the-u-s-department-of-energy-for-fiscal-year-2024#:~:text=Home-,Full%20Committee%20Hearing%20to%20Examine%20the%20President's%20Budget%20Request%20for,Energy%20for%20Fiscal%20Year%202024.&text=The%20hearing%20will%20be%20held,Office%20Building%20in%20Washington%2C%20DC.>

by disclosing equity investments in six nonconflicting companies as well as your husband's ownership of Ford stock, which was held at the time of the hearing. This ownership of Ford was omitted not only from your testimony, but also from two prior Public Financial Disclosure Reports.⁵

On June 22, 2023, less than two weeks after this disclosure, DOE's Loan Program Office (LPO) announced a conditional \$9.2 billion loan commitment with BlueOval SK LLC – a joint venture between Ford and a Korean battery company.⁶ The Committee is extremely concerned by the timing of this loan announcement and how closely it coincides with your sudden financial disclosure to ENR leadership. This is not the first time in recent years that DOE has made a high-profile financial award to Ford. On November 1, 2021, DOE announced that it would award Ford almost \$25 million to develop and demonstrate Class-6 Super Duty trucks powered by hydrogen fuel cells.⁷ On April 22, 2022, DOE announced that Ford would be a participant in the Vehicle to Everything (V2X) Memorandum of Understanding, which would give the company access to DOE's resources and its leading national laboratories.⁸ Even Ford's suppliers have recently received substantial benefit from LPO including Syrah Technologies who received a loan of \$102.1 million on July 27, 2022,⁹ Redwood Materials who received a conditional commitment of \$2 billion on February 9, 2023,¹⁰ and Ioneer who also received a conditional commitment of up to \$700 million on January 13, 2023.¹¹ All of these actions were taken under your tenure while your spouse owned stock in this company. Your failure to disclose ownership in a timely fashion highlights our concerns of widespread neglect and indifference for ethics compliance at DOE, particularly as it relates to conflict of interest requirements.

The Committee urges DOE to develop an all-encompassing and more effective plan for both employee and leadership disclosure requirements designed to put a stop this pattern of ethics

⁵ Letter from Jennifer Granholm, Secretary of the Department of Energy, to Joe Manchin, Chairman of the Senate Energy and Natural Resources Committee, (June 9, 2023).

⁶ Department of Energy. (2023, June 22). *LPO announces conditional commitment for loan to BlueOval SK to further expand U.S. EV battery manufacturing capacity*. Energy.gov. <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-loan-blueoval-sk-further-expand-us-ev-battery>

⁷ Department of Energy. (2021, November 1). *DOE Announces Nearly \$200 Million to Reduce Emissions From Cars and Trucks*. <https://www.energy.gov/articles/doe-announces-nearly-200-million-reduce-emissions-cars-and-trucks>

⁸ Department of Energy. (2022, April 20). *Department of Energy Announces First of Its Kind Collaboration to Accelerate "Vehicle-to-Everything" Technologies*. <https://www.energy.gov/technologytransitions/articles/department-energy-announces-first-its-kind-collaboration-accelerate>

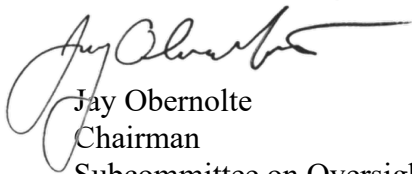
⁹ Department of Energy. (2022, July 27). *DOE Announces First Advanced Technology Vehicles Manufacturing Loan in More than a Decade*. <https://www.energy.gov/articles/doe-announces-first-advanced-technology-vehicles-manufacturing-loan-more-decade>

¹⁰ Department of Energy. (2023, February 9). *LPO Offers Conditional Commitment to Redwood Materials to Produce Critical Electric Vehicle Battery Components From Recycled Materials*. <https://www.energy.gov/lpo/articles/lpo-offers-conditional-commitment-redwood-materials-produce-critical-electric-vehicle>

¹¹ Department of Energy. (2023, January 13). *LPO Announces Conditional Commitment to Ioneer Rhyolite Ridge to Advance Domestic Production of Lithium and Boron, Boost U.S. Battery Supply Chain*. <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-ioneer-rhyolite-ridge-advance-domestic-production>

violations. Further, it is incumbent on the Department to enforce disclosure laws, regulations, and policies through available administrative and criminal enforcement measures. To improve our understanding of this process and to ensure future compliance, we request an updated and comprehensive summary of the directives DOE is developing or currently implementing to ensure that employees and especially higher-ranking officials are complying with these ethics and disclosure requirements. Please respond to this request no later than August 17, 2023. We look forward to receiving your response.

Sincerely,



Jay Obernolte
Chairman
Subcommittee on Oversight
House Committee on
Science, Space, and Technology



Brandon Williams
Chairman
Subcommittee on Energy
House Committee on
Science, Space, and Technology