



Elon Musk In Crosshairs Over Massive Gov't Subsidies And Cronyism

Technocrat extraordinaire Elon Musk could join the list of other white collar public scammers if the Senate Finance Committee ever catches up to him. He has taken hundreds of millions in government 'green' subsidies to keep his companies alive. Musk's fascination with visiting Mars and even colonizing it by 2025 - with taxpayer money - may have been the final straw. □ TN Editor

From Enron to Bernie Madoff, at the end of every great American financial scandal, the totality of the perpetrators' greed seems to be matched only by the public's incredulity at how such a thing could be allowed to happen.

And thanks to Elon Musk, there's a good chance we may all be asking this question again soon.

The Senate Finance Committee and the House Ways and Means

Committee [have launched a probe](#) into tax incentives paid to solar companies, according to The Wall Street Journal. The committee probes, led by their respective Republican chairmen, Rep. Kevin Brady of Texas and Sen. Orrin Hatch of Utah, have found an appropriate and disturbing target to begin this work.

SolarCity, a solar installation company set to be purchased by Tesla Motors Inc., is one of the seven companies named in the initial investigation.

Already grossly subsidized, Musk's SolarCity has become an albatross of waste, fraud, and abuse of tax payer dollars. As legitimate earnings and cash become even scarcer for SolarCity, its entanglement in the Tesla empire suggests that a drastic reckoning not only is imminent, but in fact emboldening Musk to become more outlandish and reckless.

Notably, SolarCity is run by Musk's cousins, Lyndon and Peter Rive. During his chairmanship at SolarCity, Musk's family enterprise has taken in [billions of taxpayer dollars in subsidies](#) from both the federal and local governments. But the subsidies and sweetheart deals were not enough, as losses and missed projections continued to mount.

Ultimately, rather than endure the embarrassment of collapse and further damage to the public image of Musk and Tesla, the cousins conspired to have Tesla simply purchase SolarCity this year. The conditions of the deal screamed foul play.

To say nothing of what sense it might make for an automaker to purchase a solar installation company, Tesla stockholders were being forced to absorb a failing, cash-burning company and pay top dollar to do so.

While cost cutting and corporate restructuring should have been the priority for a company swimming in debt and burning through available cash, SolarCity in fact has been doubling down on the failed model of taxpayer support. The desperate thirst for handouts has manifested itself in some of the murkiest political waters imaginable.

Thanks to Musk's cozy relationship with New York Gov. Andrew Cuomo,

a Democrat, the state has granted at least \$750 million of its taxpayers' money to SolarCity, building the company a factory and charging it only \$1 per year in rent.

It would be hard to imagine such an operation would not be lucrative for its shareholders. And [yet somehow](#), SolarCity never has made a profit.

It's not just in New York. In this year's race for Arizona Corporation Commission, the state's public utilities overseers, only one outside group funneled cash into the contest.

All of the \$3 million donated by that group, Energy Choice for America, [came from SolarCity](#). The beneficiaries are candidates who have signaled their willingness to be part of the "green machine" that greases the skids for lucrative government subsidies.

Burning through taxpayer dollars, buying elections, and expanding a network of crony capitalism has become so inherent to the SolarCity model that \$3 million to a public commissioner's race, brazen though it may be, is only a drop in the bucket for Musk and SolarCity.

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