

RNC Research BRIEFING

Terry's Tall Tale

New Documents Show McAuliffe Did Not Cut Ties With Scandal-Plagued GreenTech As He Has Claimed

This Weekend, *The Washington Post* Reported That GreenTech Told Prospective Investors In March Of This Year That Terry McAuliffe Was Still Affiliated With The Company As Its “Chairman Emeritus.” “That founder, Virginia gubernatorial candidate Terry McAuliffe (D), is listed in a recent confidential memorandum to prospective investors as GreenTech Automotive’s “chairman emeritus.” The 70-page document includes photographs and references to McAuliffe’s close ties to former president Bill Clinton. It recounts his political pedigree in detail, from serving as finance director for Jimmy Carter’s 1980 presidential reelection campaign to breaking fundraising records for the Democratic Party and chairing Hillary Rodham Clinton’s 2008 presidential campaign.” (Tom Hamburger And Peter Wallsten, “GreenTech Fits Pattern Of Investment That Has Made Big Profits For Terry McAuliffe,” [The Washington Post](#), 9/21/13)

- **According To The GreenTech Prospectus, As Chairman Emeritus, McAuliffe Would Have “Such Duties And Responsibilities As Designated By The Board Of Directors From Time To Time.”** ““On January 7, 2013, the board of directors of GTA assigned to Mr. McAuliffe as Chairman of the Company the duties and responsibilities appropriate for a Chairman Emeritus during the course of his gubernatorial campaign,” the memo added. Describing that job, it says: “The Chairman Emeritus of the Company will have such duties and responsibilities as designated by the Board of Directors from time to time.”” (Tom Hamburger And Peter Wallsten, “GreenTech Fits Pattern Of Investment That Has Made Big Profits For Terry McAuliffe,” [The Washington Post](#), 9/21/13)

McAuliffe Is Also Listed In The Prospectus As GreenTech’s “Largest Individual Shareholder.”

“Dated March 12, the previously undisclosed prospectus, provided to The Washington Post by the nonprofit watchdog group Cause of Action, notes that McAuliffe is “currently the largest individual shareholder” of GreenTech.” (Tom Hamburger And Peter Wallsten, “GreenTech Fits Pattern Of Investment That Has Made Big Profits For Terry McAuliffe,” [The Washington Post](#), 9/21/13)

McAuliffe Continues To Be One Of GreenTech’s Key Selling Points To Potential Investors, Including “Photographs And References To McAuliffe’s Close Ties To Former President Bill Clinton.” “The pitches to potential investors in a new electric-car company have been unabashed about its promise: It will enjoy ‘billions’ in government subsidies and tax credits, will rise to a dominant position in the U.S. electric-car industry and, perhaps most critically, has a politically connected founder with the savvy to make it all happen. That founder, Virginia gubernatorial candidate Terry McAuliffe (D), is listed in a

recent confidential memorandum to prospective investors as GreenTech Automotive's 'chairman emeritus.' The 70-page document includes photographs and references to McAuliffe's close ties to former president Bill Clinton. It recounts his political pedigree in detail, from serving as finance director for Jimmy Carter's 1980 presidential reelection campaign to breaking fundraising records for the Democratic Party and chairing Hillary Rodham Clinton's 2008 presidential campaign." (Tom Hamburger And Peter Wallsten, "GreenTech Fits Pattern Of Investment That Has Made Big Profits For Terry McAuliffe," [The Washington Post](#), 9/21/13)

McAuliffe Has Repeatedly Insisted That He Left GreenTech Last Year

"McAuliffe Noted In A Statement Saturday That He Left GreenTech In December To Campaign For Governor Full Time." (Andrew Cain, "McAuliffe Denies Seeking Special Help For Firm," Richmond Times-Dispatch, 8/4/13)

McAuliffe's Spokesman Stated "Terry Left GreenTech In Early December 2012..." "Josh Schwerin, a spokesman for McAuliffe's campaign, said that "Terry left GreenTech in early December 2012 and has no knowledge of any investigation." ("SEC Eyes McAuliffe's Former Company," Richmond Times-Dispatch, 8/3/13)

MCAULIFFE'S EAGERNESS TO DISTANCE HIMSELF FROM GREENTECH IS UNDERSTANDABLE – THE COMPANY IS UNDER INVESTIGATION BY THE SECURITIES AND EXCHANGE COMMISSION

The Securities And Exchange Commission Is Investigating GreenTech "Over Its Conduct In Soliciting Foreign Investors." "An electric-car company co-founded by Virginia gubernatorial candidate Terry McAuliffe (D) is under investigation by the Securities and Exchange Commission over its conduct in soliciting foreign investors, according to law-enforcement documents and company officials." (Tom Hamburger and Ben Pershing, "Company With Ties To Terry McAuliffe Is Under SEC Investigation," [The Washington Post](#), 8/2/13)

The SEC Has Subpoenaed Documents From Both McAuliffe's GreenTech And Gulf Coast Funds, A Sister Company Run By Hillary Clinton's Brother. "The SEC subpoenaed documents in May from GreenTech Automotive and bank records from a sister company, Gulf Coast Funds Management of McLean. The investigation is focused, at least in part, on alleged claims that the company 'guarantees returns' to the investors, according to government documents. GreenTech has sought overseas investors through a federal program that allows foreigners to gain special visas if they contribute at least \$500,000 to create U.S. jobs. Gulf Coast, which is run by Anthony Rodham, the brother of former secretary of state Hillary Rodham Clinton, seeks investors for GreenTech and arranges the visas." (Tom Hamburger and Ben Pershing, "Company With Ties To Terry McAuliffe Is Under SEC Investigation," [The Washington Post](#), 8/2/13)

The SEC Believes That GreenTech May Have Improperly Told Investors That They Were Guaranteed A Return On Their Investment. "The SEC subpoenaed documents in May from GreenTech Automotive and bank records from a sister company, Gulf Coast Funds Management of McLean. The investigation is focused, at least in part, on alleged claims that the company "guarantees returns" to the investors, according to government documents." (Tom Hamburger and Ben Pershing, "Company With Ties To Terry McAuliffe Is Under SEC Investigation," [The Washington Post](#), 8/2/13)

McAuliffe's Defense: Don't Look At Me, I Was Just The Chairman Of The Company

McAuliffe Has Claimed That, As Chairman Of The Company, He Was Not Responsible For Its Investor Solicitations. "Here are the facts: I've not been contacted in any way by those conducting the investigation and have no knowledge of it beyond what has been reported. From what has been reported, the investigation appears to be looking at a document allegedly prepared for potential investors — something I was not responsible for as chairman." (Terry McAuliffe, Op-Ed, "Setting The Record Straight On GreenTech," [The Washington Post](#), 8/16/13)

MCAULIFFE AND GREENTECH ARE ALSO CENTRAL FIGURES IN A DEPARTMENT OF HOMELAND SECURITY INFLUENCE PEDDLING INVESTIGATION

U.S. Citizenship And Immigration Services (USCIS) Director Alejandro Mayorkas, President Obama's Nominee For The No. 2 Post At The Department Of Homeland Security, Is Under Investigation For Allegations That He Improperly Intervened On GreenTech's Behalf In Matters Before His Agency. "The Department of Homeland Security's inspector general has launched a preliminary investigation into whether U.S. Citizenship and Immigration Services (USCIS) Director Alejandro N. Mayorkas improperly intervened on behalf of GreenTech and other firms as they sought to raise capital from foreign investors." (Fredrick Kunkle and Tom Hamburger, "McAuliffe's Business Partners Under Scrutiny Amid Federal Inquiry Into Greentech," [The Washington Post](#), 8/24/13)

Mayorkas Allegedly Attempted To Take Control Over A USCIS Administrative Appeals Office Opinion To Benefit Gulf Coast And GreenTech, Stating He Would Write The Opinion Himself. "But Mr. Grassley, citing whistleblowers, wrote in a letter dated August 9 that in the summer of 2011, while USCIS's appeals office was drafting an opinion on a visa application from Gulf Coast Funds Management, 'you went beyond merely monitoring or influencing the process, seeking to personally take control of the opinion. In a meeting of USCIS employees, including [appeals office] staff, you allegedly said: 'Give it to me, I'll write the f-ing thing myself.'" DHS is currently investigating whether Mr. Mayorkas used undue influence in pushing through a visa application for Gulf Coast after it had been denied and an appeal rejected. Gulf Coast processes the visas on behalf of GreenTech Automotive, which Mr. McAuliffe founded in 2009." (David Sherfinski, "E-mails: 'Political Pressure' In Gulf Coast Visa Case," [The Washington Times](#), 8/9/13)

- **Mayorkas: "Give It To Me, I'll Write The F-Ing Thing Myself."** (David Sherfinski, "E-Mails: 'Political Pressure' In Gulf Coast Visa Case," [The Washington Times](#), 8/9/13)

In 2011, McAuliffe And GreenTech CEO Charles Wang Personally Met With Alejandro Mayorkas And Homeland Security Secretary Janet Napolitano's Chief Of Staff To Discuss GreenTech's Issues With The Agency. "A year later, Wang and McAuliffe met with Mayorkas; Napolitano's chief of staff also sat in. Wang said he and McAuliffe were seeking to overturn the denial of an effort to expand into Virginia. E-mails released by Grassley show that GreenTech and Gulf Coast officials also were complaining — as other EB-5 firms had done — that their business venture had been put in jeopardy by delays in the approval of dozens of foreign investors." (Fredrick Kunkle and Tom Hamburger, "McAuliffe's Business Partners Under Scrutiny Amid Federal Inquiry Into GreenTech," [The Washington Post](#), 8/24/13)

- **Napolitano Herself "Dropped By" The Meeting As It Wrapped Up.** "Wang said he didn't know who arranged the meeting. But as it wound down, Wang said, Napolitano dropped by to greet McAuliffe, who was then GreenTech's chairman." (Fredrick Kunkle and Tom Hamburger, "McAuliffe's Business Partners Under Scrutiny Amid Federal Inquiry Into GreenTech," [The Washington Post](#), 8/24/13)

Internal DHS Documents "Show That Mayorkas And Other Senior DHS Officials Had A Dozen E-Mail And Telephone Contacts" With McAuliffe, Rodham And Other Representatives Of GreenTech. "The documents show that Mayorkas and other senior DHS officials had a dozen e-mail and telephone contacts with McAuliffe, Rodham, and other representatives of GreenTech and Gulf Coast." (Tom Hamburger and Ben Pershing, "Company With Ties To Terry McAuliffe Is Under SEC Investigation," [The Washington Post](#), 8/2/13)

Whistleblowers Have Indicated That The Level Of Access Enjoyed By McAuliffe And GreenTech Was "Extremely Irregular." "Whistleblowers from within USCIS have indicated to me that this level of detailed interaction with a regional center's attorney regarding specific visa applications is extremely irregular." (Senator Charles Grassley, [Letter To Alejandro Mayorkas](#), 7/31/13)

Eight Whistleblowers Have Lined Up To Testify About McAuliffe's Special Treatment At USCIS

Eight Career DHS Employees Have Requested Whistleblower Status So They May Testify Regarding Preferential Treatment Given To McAuliffe And GreenTech By The Department Of Homeland Security. “But eight career employees of the division have requested “protected status” as whistleblowers so they can make their “preferential treatment” case to members of Congress. Sens. Tom Coburn (R-Okla.) and Charles E. Grassley (R-Iowa) have reviewed the employee complaints and say they are concerned. Many of the whistleblowers cite alleged favors provided to McAuliffe’s company — among others — to support their claim.” (Tom Hamburger And Peter Wallsten, “GreenTech Fits Pattern Of Investment That Has Made Big Profits For Terry McAuliffe,” [The Washington Post](#), 9/21/13)

- **“It’s Not Often That So Many Whistleblowers Come Forward On The Same Subject, With Similar Concerns,” Grassley Said Friday. “It Shows That This Isn’t Just One Person Who Has A Gripe With Their Boss, But Rather Fundamental Concerns By Several Career Civil Servants About Political Favors And National Security.”** (Tom Hamburger And Peter Wallsten, “GreenTech Fits Pattern Of Investment That Has Made Big Profits For Terry McAuliffe,” [The Washington Post](#), 9/21/13)