

RNC Research BRIEFING

Terry Picked Mississippi *Virginia And Mississippi Lost, Terry McAuliffe Won*

In An Interview, GreenTech Spokeswoman Marianne McInerney Revealed That Mississippi Was Always GreenTech's First Choice For Its Plant. MCINERNEY: "I think Virginia was always considered, but what you should understand is that GTA was speaking to Mississippi and other states before we entered into our dialogue with Virginia." ("Former Worker Raises Concerns About Greentech's Progress," [NBC12](#), 7/24/13)

McAuliffe Himself Made His Preference For Mississippi Clear In The Recent Virginia Bar Association Debate, Declaring "I Picked Mississippi." CUCCINELLI: "Look, I've been putting Virginians first my entire adult lifetime." MCAULIFFE: "I picked Mississippi, not Terry." CUCCINELLI: "This shows – okay, so you picked Mississippi, so run for governor of Mississippi." (Terry McAuliffe, [Remarks At Virginia Bar Association Gubernatorial Debate](#), 7/20/13)

**DESPITE HIS PROFESSED AFFECTION FOR THE STATE, MISSISSIPPI HASN'T GOTTEN
EVEN CLOSE TO WHAT TERRY PROMISED**

A Former GreenTech Employee Says The Company Is A House Of Cards

A Former Mississippi Employee Of GreenTech Said That In The Nearly Two Years He Worked There, Only 30 Cars Were Built. "The former employee told us that in his more than a year in a half on the line maybe 30 cars were built and most of them never left the building." ("Former Worker Raises Concerns About Greentech's Progress," [NBC12](#), 7/24/13)

- **"And Most Of [The Cars] Never Left The Building."** ("Former Worker Raises Concerns About Greentech's Progress," [NBC12](#), 7/24/13)

Former GreenTech Employee: "They Would Take Everybody And Put Them Out On The Line And We Would Stand Over The Car With Tools In Our Hand And Look Like We Were Doing Something To The Car But We Wasn't Doing Anything." ([WMC-TN](#), 7/24/13)

- **The Employee Said GreenTech Management Told Them That The Company Was Dependant On Foreign Investors.** GREENTECH EMPLOYEE: "Like I say, we were told that they depended on these foreign investors, the company depended on these investors coming in to finance the initiative that we were doing." ([WMC-TN](#), 7/24/13)

Former GreenTech Employee: "It Was All An Act Put On For These Investors To Make Them Think We Were Producing And Actually Doing Work." "When the Chinese investor comes in, we were placed

on the station, at our assigned work stations, we start working on the cars as if we were producing cars then sending them out the door. It was all a -- an act put on for these investors to make them think that we were producing and actually doing work when, in fact, these cars had been built six months prior to and tore apart and put on the line," ([WMC-TN](#), 7/24/13)

- **Former GreenTech Employee: "In Fact, These Cars Had Been Built Six Months Prior To And Tore Apart And Put On The Line."** ([WMC-TN](#), 7/24/13)

McAuliffe Promised To Create 1,500 Jobs In Mississippi But Has Delivered Less Than 100

GreenTech Said It Would Create 1,500 Jobs In Mississippi. "When GreenTech unveiled its plans for Mississippi, local media reports said the company estimated the initial phase of the project would cost \$1 billion, generate 1,500 local jobs and produce 150,000 cars a year. (Frederick Kunkle, "Car Company Founded By McAuliffe Files \$85 Million Suit Over Web Site Articles," [The Washington Post](#), 4/12/13)

McAuliffe Admits Now That GreenTech Has 100 Employees In Mississippi. NOBLES: "Well let, let me get into that then because I think that's part of where some of your critics have attacked and this is what I want you to respond to because it's not so much necessarily that GreenTech isn't -- they are obviously still in business. They're obviously making some degree of progress, but that progress is much different than the expectations that you yourself set. At one point you said that there were going to be 900 jobs in Mississippi by the end of 2012 and there may be 50 to 75 employees in that area." McAuliffe: "I think 100, but ok." ("NBC12 Decision Virginia McAuliffe On GreenTech," [NBC12](#), 4/30/13)

"Marianne McNerney, a GreenTech Vice President, Said The Company Employs About 10 Employees In McLean And 78 In Mississippi." (Frederick Kunkle, "Car Company Founded By McAuliffe Files \$85 Million Suit Over Web Site Articles," [The Washington Post](#), 4/12/13)

GreenTech's Use Of EB-5 Visas Has Come Under Scrutiny, With Many GreenTech Visa Applications Being Held For "Fraud/National Security"

Alejandro Mayorkas, President Obama's Nominee For The No. 2 Post At The Department Of Homeland Security, Is Under Investigation For Allegedly Helping Gulf Coast Funds Management Win An Investor Visa (EB-5) Even After It Had Been Denied. "The probe is based on allegations that Mayorkas personally intervened to win an approval for Gulf Coast Funds Management, a financing company headed by Clinton's brother Anthony Rodham, after USCIS officials rejected its application, according to an aide to GOP Sen. Charles Grassley, who had received internal USCIS emails about the matter from a department whistleblower. (Michael Isikoff, "Obama Nominee Faces Investigation Involving Company Run By Brother Of Hillary Clinton," [NBC News](#), 7/23/13)

According To Gulf Coast Funds Management's Form I-924A Filed With United States Customs And Immigration Services, GreenTech Is Gulf Coasts' Only Client. "Provide the following information for each job creating commercial enterprise located within the geographic scope of your regional center that has received EB-5 investor capital: GreenTech Automotive Partnership..." ("Form I-924A, Supplement To Form I-924," [United States Customs And Immigration Services](#), 12/29/12)

An Internal U.S. Citizenship And Immigration Services (USCIS) Email Dated March 12, 2013 Notes That GreenTech Had 21 Pending EB-5 Visa Applications, And That All 21 Were On Hold For "Fraud/National Security." "GreenTech Regional Center: The Automotive Partnership NCE has 21 related pending 1-526 cases. There is a Fraud /National Security hold on all 21 of these cases." ([Email To Alejandro Mayorkas](#), 3/12/13, p 40)

One Of The GreenTech Investors Seeking A Visa Works For A Company Accused Of Spying For China

Zhenjun Zhang, A Vice President With Huawei Technologies, Applied For An EB-5 Visa Through Gulf Coast Funds Management. “I came across the investor Zhenjun (Richard) Zhang, associated with receipt number REDACTED. The record shows that he is currently the Vice President of Huawei Technologies Co. Ltd., Head of Product & Solutions Sales Dept., South East Asia Region. He indicates that the source of his investment capital is his income, dividends, and bonuses from Huawei Technologies.” ([USCIS Email](#), 2/7/13, p 19)

Ren Zhengfei, Huawei's Founder, Is Retired People's Liberation Army (PLA) Officer With Suspected Ties To The PLA Signals Intelligence Division, And Is Believed To Have Continuing Connections With The Chinese Military Today. “Many industry analysts, however, have suggested otherwise; many believe, for example, that the founder of Huawei, Ren Zhengfei, was a director of the People's Liberation Army (PLA) Information Engineering Academy, an organization that they believe is associated with 3PLA, China's signals intelligence division, and that his connections to the military continue.” (“Investigative Report On The U.S. National Security Issues Posed By Chinese Telecommunications Companies Huawei And ZTE,” United States House Of Representatives, [Permanent Select Committee On Intelligence](#), 10/8/12, P. 13-14)

Sun Yafang, Huawei's Chairwoman, Is Believed To Have Previously Been Affiliated With The Chinese Ministry Of State Security. “Huawei similarly denied allegations that Ms. Sun Yafang, Chairwoman of Huawei, was previously affiliated with the Ministry of State Security. Mr. Ding responded to Committee questions after the hearing that, to his knowledge, reports about Ms. Yafang in Chinese publications, such as those in Xinjing Bao, are erroneous. Mr. Ding did not respond to questions asking about how such publications received such information, or whether Ms. Yafang's previous biography on the Huawei website was erroneous as well. (“Investigative Report On The U.S. National Security Issues Posed By Chinese Telecommunications Companies Huawei And ZTE,” United States House Of Representatives, [Permanent Select Committee On Intelligence](#), 10/8/12, P. 24)

In A July 2013 Interview, Former CIA And NSA Director General Michael Hayden Accused Huawei Of Spying For The Chinese Government. “The former head of the US Central Intelligence Agency and National Security Agency, Michael Hayden, believes Chinese telecommunications manufacturer Huawei Technologies is a significant security threat to Australia and the US, has spied for the Chinese government, and intelligence agencies have hard evidence of its activities.” (Christopher Joye, “Huawei Spies For China, Says Ex-CIA Head,” [Australian Financial Review](#), 7/19/13)

A 2012 U.S. House Permanent Select Committee On Intelligence Report Found That Huawei Posed A Significant Security Threat, And Urged Government Agencies To Refrain From Doing Business With The Company. “The Committee on Foreign Investment in the United States (CFIUS) must block acquisitions, takeovers, or mergers involving Huawei and ZTE given the threat to U.S. national security interests. Legislative proposals seeking to expand CFIUS to include purchasing agreements should receive thorough consideration by relevant Congressional committees. U.S. government systems, particularly sensitive systems, should not include Huawei or ZTE equipment, including component parts. Similarly, government contractors – particularly those working on contracts for sensitive U.S. programs – should exclude ZTE or Huawei equipment in their systems.” (“Investigative Report On The U.S. National Security Issues Posed By Chinese Telecommunications Companies Huawei And ZTE,” United States House Of Representatives, [Permanent Select Committee On Intelligence](#), 10/8/12, p. vi)

The Committee Report Also Urged Private Companies To Avoid Doing Business With Huawei. “Private sector entities in the United States are strongly encouraged to consider the long-term security risks associated with doing business with either ZTE or Huawei for equipment or services. U.S. network

providers and systems developers are strongly encouraged to seek other vendors for their projects. Based on available classified and unclassified information, Huawei and ZTE cannot be trusted to be free of foreign state influence and thus pose a security threat to the United States and to our systems.”

(“Investigative Report On The U.S. National Security Issues Posed By Chinese Telecommunications Companies Huawei And ZTE,” United States House Of Representatives, [Permanent Select Committee On Intelligence](#), 10/8/12, p. vi-vii)

MCAULIFFE HAS BEEN NOTHING BUT TALK WHEN IT COMES TO VIRGINIA JOBS

McAuliffe Said He Wanted To Help Martinsville, But Didn't Even Tour Potential Sites Before Picking Mississippi For GreenTech's Plant

In A 2009 Debate, Terry McAuliffe Noted That Unemployment In Martinsville Was 20% And Said They Needed The State To Bid On Big Production Facilities To Help That Community. MCAULIFFE: “We have not been successful at going after what I call the big production facilities, BMW, ThyssenKrupp, International Paper, Kia, Toyota. Martinsville has 20 percent unemployment today. If we could bring one of those facilities there, we could really help that community.” (Terry McAuliffe, [Remarks At A Democratic Primary Debate](#), Annandale, VA, 5/19/09)

Virginia Economic Development Partnership Officials Arranged A Tour Of Potential Plant Sites In Martinsville And Other Areas, But GreenTech Announced It Had Chosen Mississippi A Day Before The Tours Were Scheduled To Occur. “Meanwhile, Lehmkuhler arranged for GreenTech to tour potential sites in Danville, Martinsville and Waverly on Oct. 7 and 8. But then there was a surprise. On Oct. 6, GreenTech announced plans to build a plant in Tunica, Miss., where it had a regional center.” (“Terry McAuliffe Says Virginia Officials ‘Decided Not To Bid’ On His Electric Automobile Plant,” [Politifact](#), 12/5/12)

McAuliffe Made His Reason For Spurning Martinsville Clear, Saying “No One Else's Offer Was Even Close To” Mississippi's Offer. “Mr. McAuliffe is a possible candidate for the Virginia governorship in 2013 — he lost a three-way Democratic primary for the post in 2009 — but he says he has a good reason for choosing to manufacture the MyCar in Mississippi. ‘Haley Barbour put the most aggressive package on the table for us,’ he said, referencing the state’s former governor, a Republican. ‘No one else’s offer was even close to Governor Barbour’s. We can disagree on political issues, but this is two people from different parties coming together. He’s been very aggressive in bringing in the carmakers, so now he’s saying, ‘Let’s try an electric.’ It’s a win-win for everybody.’” (Jim Motavalli, “MyCar: An Electric Runabout With Bipartisan Support,” [The New York Times](#), 7/6/12)

Mississippi Taxpayers Loaned GreenTech \$5 Million. “To this end, Mr. McAuliffe got out the political Rolodex and went on the money hunt. By October 2009, GreenTech announced it would build a plant in Tunica, Miss., after the state (under Republican then-Gov. Haley Barbour) promised at least \$5 million in public loans and grants to aid the company moving in. (Kimberly A Strassel, “Terry McAuliffe’s Solyndra,” [The Wall Street Journal](#), 4/11/13)