

## Lehmkuhler, Mike

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**From:** Lehmkuhler, Mike  
**Sent:** Wednesday, September 14, 2011 8:10 AM  
**To:** 'randy.marcus@billbolling.com'  
**Subject:** Re: GCG Business Plan Questions

Automotive News is certainly credible. Can't speak for the blog sites.  
Sent from my Blackberry  
804-305-3433

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**From:** Randy Marcus [mailto:randy.marcus@billbolling.com]  
**Sent:** Tuesday, September 13, 2011 11:30 PM  
**To:** Lehmkuhler, Mike  
**Subject:** RE: GCG Business Plan Questions

Are the articles I linked to below credible sources?

Randy Marcus  
Chief of Staff  
Office of Lieutenant Governor Bolling  
[www.billbolling.com](http://www.billbolling.com)

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**From:** Lehmkuhler, Mike [mailto:MLehmkuhler@YesVirginia.org]  
**Sent:** Sunday, September 11, 2011 8:52 AM  
**To:** Randy Marcus  
**Subject:** Re: GCG Business Plan Questions

Understood.

In my opinion, I provided you project-related information that you are completely entitled to know about.

He keeps talking about doing this in Virginia but VEDP will not take another step until he has a qualified business plan and evidence of adequate financing. No different treatment than any other prospect we deal with.

Thanks for the additional links. I am aware of some but not all of these articles. Appears to me that Gary Tang is no longer COO. [REDACTED]

I will be happy to try and answer any questions you have about alternative fuel vehicles. Been tracking that segment since I started working at VEDP 15 years ago.

Sent from my iPhone  
804-243-3433

On Sep 11, 2011, at 12:25 AM, "Randy Marcus" <[randy.marcus@billbolling.com](mailto:randy.marcus@billbolling.com)> wrote:

Mike,

Thanks for the information. I moved this thread over to my political account, so I don't have to worry about FOIA issues. I'd like to catch up for a drink sometime in the next couple weeks to better understand the industry and situation. I was aware of the [hybridcars.com](http://www.hybridcars.com) blog post. Have you seen these other articles?

### Links/Articles

<http://www.autonews.com/apps/pbcs.dll/article?AID=/20110905/OEM06/309059947/1131> - Sept. 5 - (subscription site – full article below)

<http://www.thetruthaboutcars.com/2011/09/an-mcauliffes-chinese-ev-factory-dead-on-arrival/#more-410384> – Sept. 6

<http://www.hybridcars.com/news/mcauliffes-green-car-startup-faces-uphill-battle-30940.html> - Sept. 6

<http://gm-volt.com/2011/09/09/greentech-promises-american-made-electric-cars-this-year> - Sept. 9 - This site is all about the Chevy Volt, but is not authorized by GM.

<http://wheels.blogs.nytimes.com/2011/09/08/greentech-intends-to-build-e-v-s-in-mississippi-for-chinese-drivers> - Sept. 8 - NY Times Auto blog piece that references criticisms of other auto publications

<http://www.thetruthaboutcars.com/2011/08/clinton%E2%80%99s-sleepover-fundraising-maven-breaks-ground-for-300000-car-factory-in-inner-mongolia-while-chinese-head-to-the-u-s-on-500000-green-cards/> - August 8 – Background on McAuliffe's CEO Mr. Wang. (I did not pull any quotes from this article, but there are some good ones hitting him on Global Crossing.)

<http://www.autonews.com/article/20110905/OEM02/309059945/1131> (Subscription site - full article at bottom) - Automotive News article about GreenTech's CEO being an executive in another hybrid car company that didn't make it.

Randy Marcus

Chief of Staff

Office of Lieutenant Governor Bolling

[www.billbolling.com](http://www.billbolling.com)

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**From:** Marcus, Randy (GOV) [mailto:Randy.Marcus@governor.virginia.gov]  
**Sent:** Friday, September 09, 2011 2:33 PM  
**To:** Randy Marcus  
**Subject:** FW: GCG Business Plan Questions

Randy Marcus

Chief of Staff

Chief Jobs Creation Office

Staff Director

Governor's Jobs Creation Commission

(804) 786-2286

[randy.marcus@governor.virginia.gov](mailto:randy.marcus@governor.virginia.gov)

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**From:** Lehmkuhler, Mike [mailto:MLehmkuhler@yesvirginia.org]  
**Sent:** Thursday, September 08, 2011 6:07 PM  
**To:** Marcus, Randy (GOV)  
**Subject:** FW: GCG Business Plan Questions

FYI – per our offline conversation today. Never received an answer to any of these observations, despite a promises to the contrary.

The production facility in Mississippi is a completely different proposition from what was originally vetted below.

[REDACTED] and they ended up buying a Hong Kong-based producer of a small electric vehicle instead of design-build of a conventional-sized hybrid electric sedan:

<http://www.hybridcars.com/news/mcauliffes-green-car-startup-faces-uphill-battle-30940.html>

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**From:** Lehmkuhler, Mike  
**Sent:** Thursday, October 22, 2009 4:53 PM  
**To:** [gary.tang@wmgta.com](mailto:gary.tang@wmgta.com)  
**Subject:** GCG Business Plan Questions

Gary:

After a second review of the business plan, we still do not see a unique value proposition that explains how Greentech will reach forecasted sales that [REDACTED] of planned capacity, both at start of production in [REDACTED] and after major expansion occurs through [REDACTED]

In addition, the sales forecasts suggest a completely successful start-up, despite

- no brand recognition
- no demonstrated vehicle performance
- no safety and fuel economy certification from the National Highway Traffic Safety Administration
- no emissions approval from EPA
- no established distribution network
- no demonstrated automotive industry experience within the executive management team.

Greentech's advantages of "high performance, low price and green image" are also generally accepted traits of hybrid vehicles currently manufactured, sold and serviced by established OEM's.

Hybrids currently available in the 2010 model year include

	MSRP	MPG
Toyota Prius	\$22,000	51 city/48 highway
Honda Insight	\$19,800	40 city/48 highway
Ford Fusion	\$27,635	41 city/36 highway
Honda Civic	\$23,800	40 city/45 highway
Toyota Camry	\$26,150	33 city/34 highway
Nissan Altima	\$26,650	35 city/33 highway
Ford Escape	\$31,500	34 city/31 highway
Toyota Highlander	\$31,700	27 city/25 highway
Saturn Vue	\$25,955	25 city/32 highway

These hybrid vehicle prices are very comparable to Greentech's suggested price range for proposed Midsize and SUV models. The vehicles also already possess generally acceptable comfort, safety and drivability features. This includes the use of gasoline direct fuel injection, dual clutch technology, variable valve timing, electrical boosting technology and turbocharging.

As of today, certification of [redacted] mpg and [redacted] miles driving range on a single battery charge for specific Greentech models (presumably subcompact and compact versions) could be considered breakthrough developments vis-a-vis the current competition. In what vehicle(s) and where has this hybrid powertrain technology been successfully demonstrated and/or certified?

How does the "super platform" technology differ from the cost competitive, shared global platform manufacturing strategy currently utilized by several market-leading OEM's?

How will Greentech be cost competitive given that capital investment, job creation and acreage requirements are [redacted] of recent automotive assembly projects with comparable annual production capacity?

With regard to financial backing, what capital contribution currently exists? [redacted]. What entities, including these, have contributed what amounts so far?

When are strategic partnership agreements with [REDACTED] and [REDACTED] expected to be finalized?

[REDACTED]

What does [REDACTED] of technology fees represent? Who would these projected fees be payable to?

[REDACTED]

[REDACTED]

Finally, we believe that the use of a multiplier effect of [REDACTED] for direct and indirect job creation is overstated. Independent economic analysis already exists in several states and by several economists that shows automotive assembly operations in North America result in a range of 4.6 to 8.1 indirect jobs for every employee directly engaged in vehicle production (Virginia's experience has historically been between 4.6 and 5.0).

For EB-5 purposes, Greentech employment of [REDACTED] assembly plant employees by 2012 equates to total direct and indirect creation of somewhere between [REDACTED] and [REDACTED] jobs. Under the "Bear Scenario", your company plans to raise [REDACTED] billion through EB-5 investors at the \$500,000 per investor threshold. That would require [REDACTED] investors and necessitate the creation of [REDACTED] direct and indirect jobs by 2012.

We request your help in better understanding the company's unique value proposition for a successful start-up of operations in [REDACTED] especially in light of Greentech's recent announcement to establish a \$1 billion and 1,500 employee assembly plant operation in Mississippi. How do you plan to successfully start-up two major automotive assembly operations at the same time?

Please provide answers to each of the questions listed above so we can continue to move forward with you on this project.

Regards,

Mike

Mike Lehmkuhler

Leader, Transportation Team

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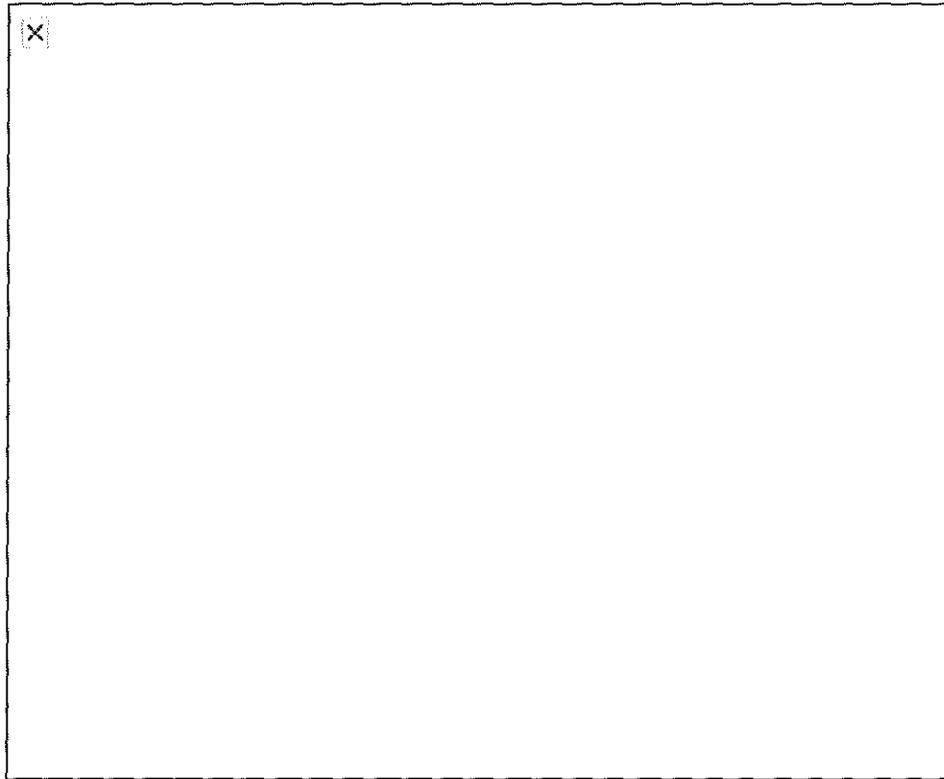
Virginia: "Best State for Business" ([Forbes.com](http://Forbes.com), CNBC & Pollina Real Estate)

<http://www.yesvirginia.org/whyvirginia/awards.aspx>



## AN: McAuliffe's Chinese EV Factory "Dead On Arrival"

By Edward Niedermeyer on September 6, 2011



Remember Bertels' stranger-than-fiction write-up of former DNC Chair Terry McAuliffe's Mongolian EV /Visa plant? Charles Child at Automotive News [sub] has looked at McAuliffe's scheme and comes away less than entirely impressed, noting that

even casual scrutiny of his vision reveals overwhelming obstacles. Let's be plain: His plan is dead on arrival.

You won't find a zinger like that in Bertel's piece, but only because he keeps his head down detailing the entire bizarre history of McAuliffe's venture, its roots as the "Hybrid Kinetic Motors" visa scheme, its ties to a couple of notorious former Brilliance boys and its money-first, product-later approach. Child's takedown isn't as well researched (nor does it contain anecdotes about former a Ambassador driving a lawnmower into a swimming pool), but the few remaining folks out there who think the former Democrat fundraiser might be on to something big should probably read on. After all, McAuliffe has put so much hype out there, this story is something of a target-rich environment for truth-tellers.

Child quickly identifies McAuliffe's major contribution to the project: hype.

What keeps the vision alive is McAuliffe's audacity. With confidence and verve, he spells out his job-creating optimism on friendly national cable shows such as "The Daily Rundown" and "The Ed Show," also on MSNBC... Bold auto visions are fine. But they require staggering amounts of money and manpower. And there's no tangible indication that McAuliffe has either.

But not all the hype has been good: conservatives dislike McAuliffe for obvious reasons, but even parts of the left wing seems to be shunning the Clintonite hustler. And speaking of manpower, do you want to guess how many employees GreenTech has?

About 50 employees, says Alan Himelfarb, executive vice president for strategic planning. Not even 50 *engineers*. Fifty total employees.

Consider that GM has added around 2,000 engineers in recent years, just for its hybrid and electric development efforts, and you get a sense of how outgunned GreenTech is. Still, a startup could theoretically catch the OEMs napping... but that's where the "staggering amounts of money" come in. And, reports Child,

The Chinese partner is Shengyang Zhong-Rui Investment Co., which GreenTech says has investments in banking, commercial real estate and Chinese airlines. But no investments in automotive operations are listed in the GreenTech press release.

And without investment, McAuliffe's staged "cornerstone laying" of the plant in Ordos, Inner Mongolia was just that: the laying of one stone, no more, no less. And absent the billions needed to make this kind of startup take off, plans to sell EPA and DOT-certified cars in the 2013-2014 timeframe appear to be... on hold.

the Web site of the Ordos provincial government in China says GreenTech pledged to start production of hybrids and electrics at its plant in 2013.

But last week the company scaled back those estimates.

"Our expanding product portfolio, including hybrid and electric full-speed vehicle will come in due time and we have not yet set a timetable for the next product introduction" after this year's neighborhood electric vehicle, the company said in a statement. "We fully understand the challenges in time, money, and technical expertise to produce a quality hybrid or electric vehicle."

In other words, it could easily be another five years before GreenTech, which hopes to have 100 employees by year's end, even starts production of hybrid or electric cars. At least cars that are capable of driving on freeways. In the meantime, the venture is leaping into the mainstay of EV hucksterism: neighborhood electric vehicles. Like Zap, Miles and many more before them, GreenTech's "world-changing" automobiles will be limited to 30 MPH and banned from streets with a speed limit above 45 MPH. According to a GreenTech presser, this NEV (called the "MyCar") will be built in Mississippi and,

We will make the first 100,000 U.S.-built MyCars available to consumers for \$10,000 apiece.

But even at those low prices, GreenTech will be waiting to sell its first 100k cars. Child cites market research from International Market Solutions showing that the US market for NEVs last year was a little over 26k units (for comparison, the Toyota Camry sold 30k units in August alone). GreenTech's response?

neighborhood electrics "are a small market for sure, at least right now. We have a few ideas on how to create some awareness and build that market. Our goal of 100,000 units is a cumulative sales figure over time. We look forward to achieving that."

I've only been blogging about the car industry for about three and a half years, but I've seen this movie way too many times before. If you've missed out on the ZAP saga, to cite the most infamous example of the "NEV today, domination tomorrow" scam, read this, this, this and this for a primer on how this game works. It's not pretty, and I hoped it was left behind in 2008, when it still fooled a few people. Today there's no excuse for anyone to be taken in by such an unimaginative, played-out scam.

Posted in China, Electric Vehicles, Future Vehicles, Hybrid, Industry, News Blog, PR, Production  
Tagged as China, development, EV, Future Vehicles, Greentech, Hybrid, Industry, PR, production, Terry McAuliffe

## 4 Comments on "AN: McAuliffe's Chinese EV Factory "Dead On Arrival"..."

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**Syke**

September 6th, 2011 at 12:24 pm

At least this is keeping him busy enough that he's not trying to run for Senator or Governor of Virginia.



**AMC\_CJ**

September 6th, 2011 at 1:32 pm

I met him once....

Had an ex that worked for a lobbying firm. It was the DNC dinner, one of those \$10k a table sort of deals. Her boss had a few last minute cancellations and two tickets to give away. I figured it was a free meal and it would be interesting experience to walk into the belly of the beast so to speak. I'll spare the rest of the details and put politics aside and just say, yes, interesting indeed.

McAuliffe, like the other nominees, had a room on reserve for a after party. I was able to get up to him, charmed him first saying how much I loved his speech, then blindsided him with a question about some state gun laws.

I will say, in about those 30secs of conversation, this man seemed over the top you think we would be the feature villian in one of those comic-turned-big-screen-movie deals.

**Contrarian**



September 6th, 2011 at 1:34 pm

Something that badly thought out and executed must have been funded with Obama's our completely failed "green jobs" money.



**Ethan Gaines**

September 6th, 2011 at 4:19 pm

Something just says "shell company set up for complex money laundering scheme" about this. But I'm sure I'm wrong.

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Published on *Hybrid Cars* (<http://www.hybridcars.com>)

[Home](#) > [Research](#) > [Culture & Market](#) > [Carmakers](#) > McAuliffe's Green Car Startup Faces Uphill Battle

Published September 6, 2011



McAuliffe's longtime friend Bill Clinton made an appearance at a GreenTech event in New York last year.

In 2006, longtime Democratic power player Terry McAuliffe founded a little-known electric vehicle startup called GreenTech Automotive. Five years and one failed Virginia gubernatorial bid later, he appears to have devoted his full attentions back to the company as it gears up for its first release later this year. McAuliffe [took to the airwaves](#) [1] last month to talk up GreenTech and its plans to open a manufacturing facility in Tunica, Mississippi, where it plans to build powertrains and other components for its vehicles.

The former DNC chair's message straddled the line between business and politics, veering into a familiar territory for many politicians looking to link environmental improvement to economic growth: green jobs. But does GreenTech really stand a chance of competing in a space already crowded with established automotive giants, or will it fizzle out like Aptera and other startups before selling a single car?

The company's first vehicle won't be a full car like the hybrids and plug-ins it says it has planned for down the road, but rather a neighborhood electric vehicle (NEV) called MyCar. The rights to MyCar—which initially went on sale in Europe under a different manufacturer in 2009—were

purchased as part of the acquisition of a Chinese electric vehicle company by GreenTech last year. It hopes to build funds by eventually selling 100,000 units of the NEV in the United States and China, at a cost of about \$10,000 each. Gradually, the company says it plans to build up its manufacturing facilities in Tunica in preparation for a full-speed, crash-tested hybrid or EV in a few years—though many express doubts that such a feat is possible.

Over the weekend, *Auto News* [subscription required] [2] published an article examining GreenTech's prospects for success and found little reason for optimism over McAuliffe's bold promise to bring 2,000 new green jobs to the United States. According to the story, GreenTech currently has a staff of just 50 employees and plans to expand to just 100 by year's end—by which time MyCar is slated to already be on sale in the U.S. And though the company claims to have secured plenty of funding to see its vision through, *details* [3] about where that money will come from have been very limited.



The announced site of the Tunica factory—which was originally supposed to be a \$1 billion facility employing 5,000 workers by 2014—is still yet to be built upon, and Greentech has dropped its projected release date, telling *Auto News* “we have not yet set a timetable for the next product introduction.” Likely translation: the company is still a long way away from releasing its first highway-ready car.

In the meantime, GreenTech's MyCar will face an uphill battle as it works toward its 100,000-unit sales goal. As *Auto News* points out, just 25,600 low-speed vehicles were sold in the United States last year, and there is little indication that the NEV market is poised to pick up much steam any time soon.

So how will GreenTech round up the \$1 billion it once claimed to be close to raising when it “broke ground” on the Tunica facility back in 2009? It's an interesting question, and one that Terry

## McAuliffe's Green Car Startup Faces Uphill Battle

McAuliffe may be prompted to answer the next time he trumpets his own personal green jobs vision on television.

- [Carmakers](#)
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**Source URL:** <http://www.hybridcars.com/news/mcauliffes-green-car-startup-faces-uphill-battle-30940.html>

**Links:**

- [1] <http://wmgta.pixelmotion.com/en/news/terry-mcauliffe-msnbc-interview>
- [2] <http://www.autonews.com/article/20110905/OEM06/309059947/1131>
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Sep09

## GreenTech promises American-made electric cars this year

Posted by **Jeff Cobb** in: [General](#) with [67 Comments](#)

Share:     

Strumming the heartstrings of what many Americans want to hear, this week Virginia-based GreenTech Automotive announced American production of green energy cars that would compete favorably with China.

In a reversal of the usual, GreenTech’s chairman – and former Democratic National Committee chairman – Terry McAuliffe said the company will begin manufacturing Smart-sized MyCar neighborhood electric vehicles (NEVs) in Mississippi.

“I am sick and tired of seeing our jobs go to China,” McAuliffe [told MSNBC](#) recently. “I am sick and tired of seeing big cargo ships coming in from China.”



*The MyCar was designed for a Hong Kong firm GreenTech acquired in 2010.*

The two-seat vehicles are said to begin production this year, and McAuliffe has pledged to make available the first 100,000 for a mere \$10,000 each before subsidies.

Earlier plans to import them from China are on hold although the company's CEO says an assembly plant in the desert of Inner Mongolia is still being constructed.

We'll get to that shortly, but this week's news is the MyCar will be the first of several hybrid and electric vehicles made in America, by Americans, with plans to heavily export them as well.

The MyCar was originally designed by Giorgetto Giugaro's Italdesign and discovered by McAuliffe on a trip to London.

Performance reports vary, but the car may be capable of about 70 miles maximum range, with a maximum speed of 50 mph, although in the U.S. as an NEV it would be limited to 25 or 35 mph.

The first exports are intended to go to Denmark for European distribution later this year where higher speeds may be permitted.

In its press release, GreenTech says the Danish company Greenabout, which distributes electric vehicles and related products and services, "will purchase a sizable percentage of GTA's MyCar production through 2014."

And of these announced American beginnings, McAuliffe shared his vision.

"This agreement is a major step in the relationship we have proudly formed with Danish leaders," said McAuliffe. "We share a desire to create and utilize affordable green transportation and with this MyCar agreement, we are making broad strides to begin selling our American-made MyCars throughout Europe. Not only does this agreement reflect our principles of affordable green energy, it also means new manufacturing jobs in America."

Similarly, Greenabout CEO Per Boesen expressed his enthusiasm.

"GreenTech's MyCar is proof that it is possible to create high-quality, sustainable products. We will be helping to reduce carbon emissions and creating new jobs in Denmark and elsewhere across the globe," Boesen said. Earlier

this year, Denmark released its “ambitious, highly-praised ‘Energy Strategy 2050,’” which calls for the creation of a fossil-free energy network, independent from oil, coal, and gas by 2050.

### A little bit of background

To be fair, we gave you the positive spin up front, although as you will see, industry observers have expressed strong words of doubt for this venture’s viability.

First off, whether NEVs are even a great idea is in question. The Insurance Institute of Highway Safety (IIHS) has issued warnings for consumers to stay away from NEVs because they don’t have to pass crash tests. When subjected to them informally, they invariably allow catastrophic or fatal injuries to their would-be occupants.

The Truth About Cars has followed the GreenTech story and reported some “stranger than fiction” dealings in the saga of the company said to have been founded in 2006.

Originally GreenTech was an offshoot of Hybrid Kinetic Motors, founded by Yang Rong – who also goes by Benjamin Yeung. He was the former CEO of Chinese automaker, Brilliance.

It was in 2009 that a pin was stuck on the U.S. map in Alabama as a future site of manufacturing for GreenTech cars. At that time, Rong and GreenTech’s current CEO and former founder of Brilliance, Charles Yang developed plans that fell apart before coming to fruition.

The New York Times reported that in 2001, due to his success at Brilliance, Forbes ranked Yang as China’s third-richest tycoon, with an estimated wealth of \$840 million.



*CEO Wang and Chairman McAuliffe in Mongolia.*

The Times recently interviewed Wang who said plans were indeed still proceeding at “warp speed” to build the assembly plant in Ordos, Inner Mongolia.

Wang told the Times it would be completed by the end of 2012 and have capacity to produce 300,000 vehicles per year.

As for this week's Mississippi plans, GreenTech has found it expedient to "rely heavily" on funding provided by the "EB-5" Immigrant Investor Program.

This federal program provides green cards and permanent residency to foreign nationals and their families who contribute \$500,000 or more to a successful business in rural areas and areas of high unemployment.

In a story the Times wrote last year titled "[Green Cards for Green Cars](#)," it was shown affluent Chinese were escaping their homeland by buying their way into America's heartland.

This week the Times reported that Wang said GreenTech "has been utilizing the EB-5 program as part of our funding sources."

To do what the company intends to do will take billions. The company told Automotive News it is well funded, but did not disclose details.

### **Audacity of Hope**

Automotive News has reported that McAuliffe's plans for a bright American green future are – to be charitable – perhaps a wee bit optimistic.

On second thought, let's forget being charitable: Actually the term used by Automotive News writer Charles Child is that the plan is "dead on arrival," and he also wrote:

*"What keeps the vision alive is McAuliffe's audacity. With confidence and verve, he spells out his job-creating optimism on friendly national cable shows such as "The Daily Rundown" and "The Ed Show," also on MSNBC ... Bold auto visions are fine. But they require staggering amounts of money and manpower. And there's no tangible indication that McAuliffe has either."*

Child reported GreenTech of McLean, Va., a suburb of Washington D.C., has around 50 employees, and hopes by year's end to have 100.

In contrast, just to expand its advanced-tech research and development, GM has hired around 2,000 *engineers*, let alone other employees.

And while it makes for a great sound bite to promise the first 100,000 MyCars for \$10,000 apiece, consider that International Market Solutions showed the U.S. market for NEVs last year was less than 26,000 units

GreenTech did concede this when to an Automotive News inquiry it replied: Neighborhood electrics "are a small market for sure, at least right now. We have a few ideas on how to create some awareness and build that market. Our goal of 100,000 units is a cumulative sales figure over time. We look forward to achieving that."

So the plan as it stands is to get the ball rolling by selling over one hundred thousand NEV death traps, as the IIHS essentially calls them, to a limited market. In the U.S. they will be banned from streets with speed limits over 45 mph, and the launch date for other green cars is nowhere in sight. Despite saying it has wads of cash ready to go, last week GreenTech scaled back plans to build hybrids and electrics at its Mongolia plant in 2013.

"Our expanding product portfolio, including hybrid and electric full-speed vehicle will come in due time and we have not yet set a timetable for the next product introduction" after this year's NEV, said a GreenTech statement. "We fully understand the challenges in time, money, and technical expertise to produce a quality hybrid or electric vehicle."

### **What to believe?**

In the mean time, if you want an exciting story offering hope to the flagging American manufacturing sector and more, take the face value of news GreenTech is promising as it says thousands of American jobs will be created leading back toward greater domestic self reliance.

It has not convinced analysts or experienced reporters, as Truth About Cars editor Edward Niedermeyer expressed plainly.

“I’ve only been blogging about the car industry for about three and a half years, but I’ve seen this movie way too many times before,” he said. “If you’ve missed out on the ZAP saga, to cite the most infamous example of the ‘NEV today, domination tomorrow’ scam, read [this](#), [this](#), [this](#) and [this](#) for a primer on how this game works. It’s not pretty, and I hoped it was left behind in 2008, when it still fooled a few people. Today there’s no excuse for anyone to be taken in by such an unimaginative, played-out scam.



*McAuliffe and his friend Bill Clinton discuss the MyCar.*

It would be really great if detractors are proven wrong. But if GreenTech plans turn out to be “over the top,” as Automotive News says, it will be a disgrace to have built up hopes when the means to get there amounted to little more than a tired re-run of the usual chutzpah.

That McAuliffe has been sufficiently plausible to some should come as no surprise however, as he is past master at playing the right note from his days in high-level politics.

McAuliffe has a law degree from Georgetown University, and was a fundraiser for Jimmy Carter’s unsuccessful re-election campaign, and an “exceptionally effective” fundraiser for Bill Clinton’s presidential bids.

In 2000 Al Gore called McAuliffe “the greatest fundraiser in the history of the universe.”

On GreenTech’s Web site his biography says under his leadership the Democratic National Committee set party records by raising more than \$535 million.

However the source that cited the Al Gore quote, [Discoverthenetworks.org](http://Discoverthenetworks.org), also noted of his political dealings:

*McAuliffe is particularly adept at the raising of soft money – funds that, by endorsing an overall cause or party rather than a specific candidate, are legally permitted to exceed the limits normally placed on contributions to a political campaign. Because they are not bound by such restrictions, soft money contributions are often so large – frequently in excess of \$100,000 – that donors naturally expect to receive some form of payback in return for their generosity. McAuliffe’s soft money strategy was responsible for President Clinton’s 1996 scandal*

*concerning the Lincoln Bedroom sleepovers and the White House coffees, two tactics employed to solicit huge donations from wealthy friends and patrons of the Clintons.*

McAuliffe reportedly also initiated and chaired President Clinton's multimillion-dollar legal defense fund during the Monica Lewinsky scandal, and has been investigated by federal officials for questionable business deals.

In 2009, he ran for Governor of Virginia, but was unsuccessful, and prior to that had headed Hillary Rodham Clinton's unsuccessful presidential campaign.

Even left-leaning political commentators have called him a hypocrite for saying the way to create more American jobs is to build a large assembly plant in China.

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But McAuliffe says he has started 25 businesses and they've all made money.

That he has talent, is connected, and knows how to network is not in question.

Last week, GreenTech's Alan Himelfarb, executive vice president for strategic planning, told Automotive News he knew there were skeptics, but said, "We are very realistic about the challenge."

GreenTech says it will pull off McAuliffe's passion for green cars and desire to bring renewed optimism to Americans, and – to be charitable again – we'll note that stranger things have happened, and it would be terrific if such grand plans could actually work out.

If they come to pass we will be in line to give credit where due. In the mean time, as others have said already, we'll believe it when we see it.

[The Truth About Cars](#), [Wheels Blog](#), [Automotive News](#) (subscription req'd).

The New York Times

## Wheels

The Nuts and Bolts of Whatever Moves You

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SEPTEMBER 8, 2011, 6:00 AM

### GreenTech Intends to Build E.V.'s in Mississippi

By JIM MOTAVALLI

The MyCar is a Smart-sized, two-seat electric vehicle with an international pedigree to match its manufacturer's outsize ambitions. Designed by Giorgetto Giugiaro, one of the auto industry's most famous stylists, the MyCar was originally intended for a manufacturer based in Hong Kong. But the diminutive E.V. is now scheduled to be produced by GreenTech Automotive, based in Mississippi, and shipped to Denmark for European distribution later this year.

The MyCar project grew yet another wrinkle this month. Terry McAuliffe, GreenTech's chairman and the former chairman of the Democratic National Committee, said the car's hybrid and electric drivetrains would be built not at the brand's Chinese joint-venture plant - currently under construction in Inner Mongolia - but in Mississippi, a distinct reversal of the usual flow of manufactured goods.

Mr. McAuliffe, who also headed the presidential campaign of Hillary Rodham Clinton and mounted an unsuccessful bid for Virginia governor in 2009, was described in 2000 by Vice President Al Gore as "the greatest fund-raiser in the history of the universe."

In recent media appearances, Mr. McAuliffe has presented GreenTech as a catalyst of American job creation. "I am sick and tired of seeing our jobs go to China," Mr. McAuliffe recently told MSNBC. "I am sick and tired of seeing big cargo ships coming in from China."

GreenTech's plans have engendered some skepticism. According to Automotive News, Mr. McAuliffe's ambitious scheme faces "overwhelming obstacles" and is "dead on arrival."

The Truth About Cars, an automotive news and commentary Web site, recently recounted GreenTech's history as an offshoot of Hybrid Kinetic Motors, founded by Yang Rong - also known as Benjamin Yeung - the former chief executive of Brilliance, another Chinese automaker. In 2009, Hybrid Kinetic outlined a plan to build green cars in northern Mississippi with the involvement of Charles Wang, currently the chief executive of GreenTech. But Mr. Wang and Mr. Yang parted ways before any cars were built. Brilliance's plans to enter the European passenger-car market also were dealt a blow when one of its products received a zero-star safety rating in a crash test.

Despite the skepticism, Mr. Wang said in a telephone interview that crews were moving at "warp speed" to build the Inner Mongolia plant, which he said would be completed by the end of 2012 and have the capacity to produce 300,000 cars annually for the domestic market.

Wheels reported last year that Hybrid Kinetic planned to "heavily rely" on the Immigrant Investor Program, also known as EB-5, which would grant green cards and permanent residency to foreign citizens and their families who invested at least \$500,000 in successful businesses in rural locations, or in areas of high unemployment. The Commercial Appeal of Memphis reported in 2009 that GreenTech would also be financed through EB-5. Mr. Wang confirmed the report in an e-mailed statement to Wheels, saying that GreenTech Auto "has been utilizing the EB-5 program as part of our funding sources."

American customers must wait to sample the MyCar because GreenTech intends to ship "a sizable percentage" of production through 2014 to its European venture, Mr. Wang said, adding that neighborhood electric vehicles, or N.E.V.'s, are more widely usable in Europe, where they are not limited to speeds of 25 or 35 miles per hour as they often are in the United States. The MyCar has a top speed of approximately 50 m.p.h.

Phil Gott, an automotive analyst at IHS Global Insight, said that inexpensive N.E.V.'s like the MyCar might find a market, in Europe and elsewhere, as limited-range urban vehicles.



## Clinton's Sleepover Fundraising Maven Breaks Ground For 300,000 Car Factory In Inner Mongolia While Chinese Head To The U.S. On \$500,000 Green Cards

By Bertel Schmitt on August 8, 2011



2011/08/08

Today, my phone rang repeatedly, and my email inbox quickly filled with questions. They all said: "Did you see this? Do you know these people?"

I knew the guy in the picture. I used to be married into a family that was in the Washington Green book. I lived in Virginia two driveways from Thomas Jefferson's Monticello. I was surrounded by gentleman farmers and politicians. Jeez, the late Ambassador Fritz Nolting drove into my pool on a riding mower with a cocktail in one hand and a cigar in the other. Talk about distracted driving.

The right man in the picture wanted to be Governor of Virginia. He still does. The left man wants to be a tycoon.

The man who leans over that sign somewhere in the godforsaken desert of Inner Mongolia, China, is Terence "Terry" McAuliffe. Yes, the very same Terry McAuliffe who was a Democratic National Committee head and a close Bill Clinton adviser who, according to a United States Senate document organized the famous coffees and sleepovers that saved Bill Clinton from electoral annihilation.

According to one source, "McAuliffe's soft money strategy was responsible for President Clinton's 1996 scandal concerning the Lincoln Bedroom sleepovers and the White House coffees, two tactics employed to solicit huge donations from wealthy friends and patrons of the Clintons."

Putting the Lincoln Bedroom up for sale for \$100,000 a night (on average) was only a minor scandal compared to what was called "Chinagate."

Al Gore, friend and beneficiary of Buddhist monks, praised McAuliffe as "the greatest fund-raiser in the history of the universe." Coming from Gore, that's the best endorsement one can get.

Yes, you are looking at THAT Terry McAuliffe.

Yes, it's the same and he is back in China, and back in the fundraising business. This time, he promises to bring 300,000 cars to China. Made in America by Americans. Assembled in China. In that new factory which is going up behind the two gentlemen.

Wait, there is more. A lot more.



The company that will perform the economic miracle is GreenTech. The man to the left of McAuliffe is Charles Wang. Ring a bell?

Remember this story? Remember how Ed Niedermeyer wrote:

*"Greentech Automotive is the hybrid vehicle firm founded by the former CEO of Brilliance with plans to build a plant in Mississippi with funds raised through the EB-5 visa program. Not to be confused with Hybrid Kinetic Motors, the hybrid vehicle firm founded by the*

*former Chairman of Brilliance with plans to build a plant in Alabama with funds raised through the EB-5 visa program."*

Yes, one and the same.

This will get a bit complicated, so bear with me. Let me introduce you to a few people. You know, in China, connections are everything.



Meet Yang Rong, identified by Automotive News [sub] as "the ousted former CEO of Brilliance China Automotive Holdings Ltd., BMW AG's partner in China." Automotive News tells this story:

*"In the early 1990s, Yang was one of the first entrepreneurs to strike it rich in China's auto industry. He was hailed in China as part of a new generation of savvy businessmen and credited with catapulting Brilliance from making dreary buses into BMW's partner in making BMW 3- and 5-series cars."*

*"But in 2002, after feuding with a Chinese provincial governor over the location of a new factory, Yang found himself charged with unspecified economic crimes. He fled the country under a false passport for Los Angeles, where he joined his wife and four children. Most of his own personal wealth had to be abandoned in China."*

Automotive News missed the good part. The dispute was about more than a location of a plant. It was about who owns what of Brilliance, a company that became the first Chinese corporation listed at the NYSE after 50 years. According to this account in the China Auto Review, Yang "was forced out as chairman of Brilliance China and served a warrant for allegedly committing "economic crimes of embezzlement of state assets" in late 2002." Here is one of the many lengthy court documents, in case you have the time.

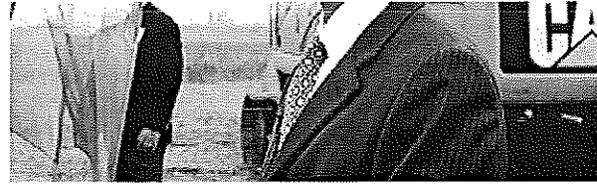
To make it short, China would love to have Yang back, but he's not coming.

Yang went on to found the Hybrid Kinetic Motors company, which we had chronicled in 2009 under the Farago regime. Hybrid Kinetic Motors promised to bring a huge car industry to the American equivalent to Inner Mongolia, a place called Northern Mississippi. Rong had explained to Automotive News [sub] that the plan was to "build a \$6.5 billion auto plant in northern Mississippi, where he would hire 25,000 workers to eventually produce 1 million cars a year." It will happen real soon now.

Then, there is another man. His name is Xiaolin Wang. According to a puff-piece in Wikipedia, written by an editor by the name of Beijingren (= Beijing Man) who had written nothing else than this article and had then vanished from Wikipedia, "Charles Xiaolin Wang is an experienced business



entrepreneur, financier, and lawyer with an extensive background in capital markets financing and international business transactions. He currently serves as the President and Chief Executive Officer at GreenTech Automotive." In the top picture, he is the man to the left of the greatest fund-raiser in the history of the universe, Terry McAuliffe.



Xiaolin Wang was Rong's lawyer and business partner at Hybrid Kinetic. Yang Rong, no stranger to feuds, started a new feud with his lawyer. Says Automotive News:

*"Yang's project split in two after a falling out between him and the man he had appointed to manage it: his former attorney and Chinese entrepreneur Xiaolin Wang."*

*"Yang — listed in court documents as Benjamin Yeung, the name he uses in the United States — sued Xiaolin Wang and three other project managers. Yang alleges that the other managers had been steering control of the venture away from Yang and had begun operating under a different but similar name."*

*"Yang's venture is called Hybrid Kinetic Automotive Holdings Ltd. Xiaolin Wang and the others had been operating as Hybrid Kinetic Automotive Corp."*

An out-of-court settlement had Xiaolin Wang change the name of his company. It was known as GreenTree Automotive, and was either later renamed to GreenTech, or Bill Brabec, the Jackson, Miss. attorney for Xiaolin Wang, had the name wrong. Or who knows.

Hybrid Kinetic, run by Yang or Yeung, and GreenTech, run by Xiaolin "Charles" Wang, went forth and operated in parallel.

Both attracted investors via the EB-5 visa program, a scheme which the Center for Immigration Studies along with many others call either "a scam" or "investor fraud."

Allegedly, if someone invests \$500,000 in an underprivileged part of America, green cards for the "investor" and the immediate family beckon. There are a lot of Chinese who paid much more to enter the U.S. illegally, so that's considered a great deal. Some killjoys claim the investment must be "active" and the investor must be involved in managing the company. Minor detail.

Hybrid Kinetic (which sometimes calls itself "HK Motors" — something that in China can be easily confused with "Hong Kong Motors"), was incorporated in Delaware, is headquartered at Pasadena, California, and wants to open a plant in Baldwin County, Alabama. Governor Bill Riley confirmed to HK Motors that "HK Motors could apply for and receive all statutory incentives based on the company's proposed \$1.5 billion investment." On HK Motor's website it says that letter "officially confirmed that approximately \$1 billion in incentives is available to HK Motors." Edmund's said:

*"Pouring millions of state funds into an untried automaker headed by an entrepreneur with a question mark hanging over his head (he says he's done nothing wrong, that the charges against him in China are politically motivated) is something that's ought to require a heck of a lot of due diligence on the part of state officials."*

The fine State of Alabama apparently does not subscribe to Edmunds or its ideas.





GreenTech Automotive (GTA) "was founded in 2006 by accomplished entrepreneurs Terry McAuliffe and Charles Wang," says its website.

Wang is CEO, McAuliffe is Chairman. According to some accounts, Xiaolin "Charles" Wang was still with Yang Rong a.k.a. Benjamin Yeung when Greentech was founded in 2006. According to the puff-piece Wikipedia article, the founding happened 2008, and Hybrid Kinetic did never exist in Wang's illustrious career.

And what about government money? In 2009, the Memphis Daily News said "because Wang and his team are seeking much of their capital in China, the financial particulars are murky at best. What confounds this project is the silence from local and state officials." Last year, the same paper heard that Mississippi governor "Barbour was noticeably absent as Charles Wang talked of building 150,000 hybrid cars a year in a plan that is still awaiting financing."

It's not that Wang and McAuliffe don't have any friends formerly in high places. Wang told the Memphis Daily News:

*"Former President Bill Clinton also has been active in the project, traveling to Hong Kong and introducing company representatives to heads of state at his recent global initiative."*

He just doesn't have any money to invest.

Still with me? Amazing. TTAC loyalty knows no bounds.

Now we move on the really brilliant part: Xiaolin "Charles" Wang had wisely disassociated himself from Yang Rong a.k.a. Benjamin Yeung. The latter Yang Rong will never ever return to China, where he has been roned. The former Wang however proudly appeared in Ordos, Inner Mongolia, otherwise famous for China's Modern Ghost Town , where a city planned for a million stands empty. This will most likely change immediately with the arrival of Terry McAuliffe.



"Mr. McAuliffe fills a room" said the Washington Post. That's an understatement. At the notorious May 2000 Clinton fundraiser, he filled the former MCI sports center in Washington, DC. \$26.5 million were raised in three hours for the Democratic National Committee. As

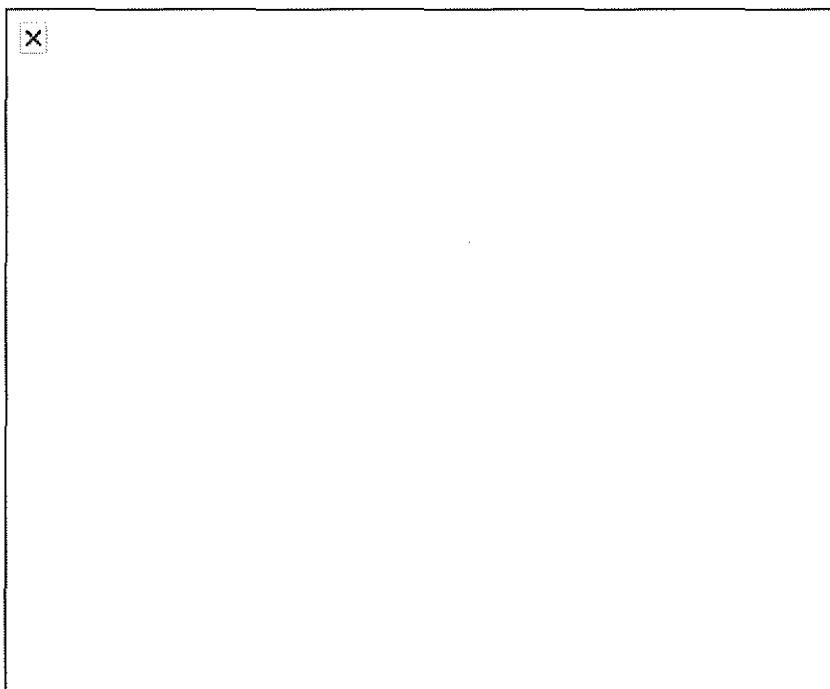


the New York Times remembers, "the donors, from those in black tie to those in blue jeans, were beckoned by the Midas of fund-raisers, Terry McAuliffe, who, in the end, squeezed 13,625 people into a space designed for 12,000." Roomfilling above plan!

If McAuliffe can fill a stadium with people who want to be separated from their money, then producing "a full line of vehicles powered by U.S.-made high-efficiency combustion engines, hybrid powertrains and pure electrical drivetrain" in the middle of nowhere will be a cinch. As Greentech's press release says:

*"The product line will include subcompact, compact, midsize and sports vehicles, all to be designed specifically for and sold exclusively in China. Full production capacity will be 300,000 vehicles per year and the core components of these vehicles will be made at GTA factories in the United States."*

*"And because our core components will be made in America, we will create 2,000 new American jobs when we reach full production capacity," said McAuliffe.*



The joint venture is called Ordos GreenTech Automotive Co., Ltd., and is a partnership between GTA and Shengyang ZhongRui Investment Co., Ltd., a Chinese investment holding company.

License from the Chinese government? Not mentioned. Does anyone need a license here to make cars? Feasibility study? Minor details for a McAuliffe. A few phone-calls, possibly from Bill's wife, done.

Remember: When The Washington Post called him a "huckster," McAuliffe corrected it to "hustler."

Not only that, McAuliffe is an experienced investor. In the 1990s, McAuliffe invested \$100,000 in a company later called Global Crossing. When the company went public seventeen months later, the stock's value rose quickly and McAuliffe's initial \$100,000 investment was valued at nearly \$18 million. Global Crossing filed for bankruptcy in 2002, after McAuliffe had smartly sold his stock.



should primarily employ citizens in country which they are based, and should offer wages and benefits that allow for a comfortable standard of living.

Those that espouse policies which encourage deregulation so that the big boys can force small businesses out of existence, send jobs overseas while US unemployment is at or near record highs, and preserve loopholes so that companies can record billions in profits while scooping up government subsidies and pay virtually nothing in taxes deserve more than blame, they deserve to be exposed for the corrupt morally-bankrupt traitors to the economic future of the majority of our nation that they are.



**SP**

August 9th, 2011 at 12:33 pm

All pretty much true...

But when the NLRB says Boeing must build its new plane in one specific place, we may have gone too far.

Name-calling toward the other side could ensue (and has ensued), but finding solutions would be better.

Both parties love the greenback. (Not that they want it to be sound ... they just want as much of it as possible.)



**gslippy**

August 8th, 2011 at 10:57 pm

Excellent article, Bertel, and yes, I actually followed it.

The political machinations are evident: the Clinton/Gore fervent love of shady Chinese, and the Barbour distaste for the Dems (or perhaps basic business savvy).

Mississippi needs to stay clear of this boondoggle. All it will do is separate the taxpayers from their money, for nothing.

Does anyone actually believe you can build cars in MS and sell them profitably in China, as though China needed to import US-built Chinese cars?

As for Mr McAuliffe, all that fundraising savvy in 2000 didn't result in a win for his candidate.



**Conslaw**

August 9th, 2011 at 12:03 am

Of course the Democrats have to get in bed with all the sleazy Chinese hucksters, because the Republicans have already locked up all the hucksters from the gulf states.

This visa fraud angle is interesting. I wonder how many of the "economic savior" plants staked out nationwide are visa fraud scams. I'm thinking a monorail pulled by llamas would be a good idea.



**Omnifan**

August 9th, 2011 at 5:35 am

There's another state in the US that must now be considered. With Mississippi and Alabama interested, and Bill Clinton a player, Arkansas will now enter the fray. It's all relative!



**spatula6554**

August 9th, 2011 at 10:23 am

Deep, deep research and well written...

Isn't it amazing how a charismatic, well-informed and well connected group of individuals can play international powerhouse governments for billions?

Yay bureaucracy....



**Syke**

August 9th, 2011 at 11:21 am

Read your histories of the American car industry, 1895-1915. Boy, does a lot of this stuff sound familiar (in style, if not exact details). Deja vu all over again.



**GS650G**

August 11th, 2011 at 11:36 am

"The Democratic party has no qualms with business, but Businesses should pay their fare share of taxes, should primarily employ citizens in country which they are based, and should offer wages and benefits that allow for a comfortable standard of living. "

I think it's spelled fair not fare.

There goes that word Should again. Part wishful thinking, part demand.



**tekdaemon**

August 12th, 2011 at 1:00 am

It certainly is not more than 500 grand to be illegally smuggled into the US, most illegal immigrants work bottom wage jobs to repay their smuggling fees, as in sub-minimum wage jobs. And if you really wanna get out of China you can buy your way into a Canadian residency for a lot cheaper than 500K.

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# Automotive News

## CEO made big hybrid plans before

**Charles Child**

Automotive News | September 5, 2011 - 12:01 am EST

GreenTech's CEO, Charles Wang, was an executive at another company with grand plans for U.S. auto manufacturing: Hybrid Kinetic Automotive Holdings Inc.

Hybrid Kinetic said last year that it planned to produce in Alabama 3 million hybrids a year starting in 2018. That would be more than the 2.2 million vehicles that General Motors, the top-selling automaker in the United States, sold in 2010.

But those plans are going nowhere, says Robert Ingram, CEO of the Baldwin County Economic Development Alliance in Alabama.

"They don't have an active project with us or the state," he said. "They tell us they are still seeking financing or partners to work with them."

In 2009, the Chinese founder of Hybrid Kinetic sued Wang and others in federal court in Mississippi for allegedly trying to establish a rival company. The suit says Wang left Hybrid Kinetic to form a company that became GreenTech.

GreenTech, in a statement to *Automotive News*, said Wang and McAuliffe met in China in 2006 in Beijing and joined forces at GreenTech in 2009. GreenTech's Web site says Wang is "an accomplished capital markets attorney with extensive experience in capital formation on Wall Street and abroad."

Hybrid Kinetic and GreenTech share an unusual fundraising method: EB-5 visas. Under U.S. law, foreigners can receive U.S. green cards if they provide \$500,000 to companies that use the money to create jobs in impoverished U.S. communities. The foreign investors need not be involved in the company's operations.

Hybrid Kinetic has not disclosed how many investors, if any, received green cards.

Hybrid Kinetic acknowledged that it planned to raise money for operations from EB-5 visas. GreenTech's Alan Himelfarb, executive vice president for strategic planning, said that EB-5s account "for a portion of our financing." But he declined to be specific.

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