

# JACKED UP CARS

By Evan Peach

The Confidential Inside Deals To Control  
The Electric Car Market





# **JACKED UP CARS**

**The Confidential Inside Deals  
To Control The Electric Car Market**

**By Evan Peach**

**(CONFIDENTIAL PUBLISHERS OUTLINE SAMPLE)**

*Dedicated to all of those who found out they were only limited by their imagination and to those who will soon discover it.*

First Edition, 2013

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In the course of this book, we hold certain government officials and corporations responsible for engaging in criminal actions. These assertions constitute our opinions based on the facts documented and set forth in the text.

## Prologue

(Intro by well-known public figure)

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## Embryonic Roots

(Who came up with the idea for the government funding, how was it lobbied into place, what happened first)





## Detroit, Michigan

(How the Big 3 worked the opportunity)



## Silicon Valley, USA

( How high tech investors pooled resources with Washington Politicians to create a closed loop)

## Kabul, Afghanistan

(How high tech investors, politicians, investment bankers and world leaders targeted a desert on the other side of the world and the trillion dollar thing buried in that desert that the electric cars had to have)



## Washington, DC

(How big money, big politics, national crisis, opportunists, greed, deep technology and “hot girls” worked the system)







## Appendix



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**GAO**

United States Government Accountability Office

Report to Congressional Committees

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March 2012

# DOE LOAN GUARANTEES

## Further Actions Are Needed to Improve Tracking and Review of Applications



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GAO-12-157

## Senate Committee Report Condemning DOE- Oct. 2012

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ONE HUNDRED TWELFTH CONGRESS

# Congress of the United States House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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October 31, 2012

## MEMORANDUM

**TO:** Members, Committee on Oversight and Government Reform

**FROM:** Majority Staff, Committee on Oversight and Government Reform

**SUBJECT:** Update on Committee's Oversight of the DOE Loan Guarantee Program: New Emails Show President Obama, Senior Administration Officials Misled American People about Role of President and White House in Program

For over a year, the Committee has been conducting comprehensive oversight of the Obama Administration's Sec. 1705 green energy loan guarantee program, administered by the Department of Energy (DOE). The Committee held five hearings, sent dozens of letters, interviewed numerous current and former DOE officials, and reviewed hundreds of thousands of documents produced by DOE, loan recipients, individuals, and other organizations with a stake in the 1705 loan guarantee program.

DOE obligated \$14.5 billion to 26 projects before the loan program's termination in September 2011. Three of those projects (Solyndra, Beacon, and Abound) have already declared bankruptcy, and several others are facing serious financial difficulties. Twenty-two of these projects were rated below investment grade (junk) because of their bad credit quality.<sup>1</sup>

Since the first loan guarantee recipient declared bankruptcy (Solyndra, in September 2011), the Administration, particularly the President and Secretary Chu, has insisted that political cronyism played no role in the allocation of taxpayer funds in the program, despite substantial connections between numerous companies that received loan guarantees and friends, fundraisers and donors to President Obama and others in his Administration. The Administration has also attempted to deflect blame for the program's controversies, insisting that career bureaucrats at DOE made the decisions that led to the program's massive failures and losses. Most recently, President Obama personally assured the American people that decisions made in the loan program were "decisions, by the way, that are made by the Department of Energy, they have nothing to do with politics."<sup>2</sup>

<sup>1</sup> See "The Department of Energy's Disastrous Management of Loan Guarantee Programs," Staff Report, Committee on Oversight and Government Reform, March 20, 2012. Available at <http://oversight.house.gov/report/the-department-of-energy-s-disastrous-management-of-loan-guarantee-programs/>.

<sup>2</sup> President Barack Obama, interview with 9NEWS, October 27, 2012. Available at <http://www.9news.com>.

## Sample of Leaked emails from Colorado DA- Part 1

**From:** jim McCrea [REDACTED]  
**Sent:** Saturday, October 30, 2010 4:49 PM (GMT)  
**To:** 'Silver, Jonathan' <[REDACTED]@hq.doe.gov>  
**Subject:** RE: Strategy Question

---

Working away but it is hard to argue that 50% for total subsidy which they are headed for is not reasonable, especially with a decision maker who has no clue. Even if you add 5% for RPS to every transaction, it lets everything through except for BrightSource, US Geothermal, Abengoa and First Wind. On that criteria, even Shophard's Flat and Baldwin get through. 50% simply is not an issue for us if it was the only criteria. The problem is the overlapping criteria which effectively take so many of our transactions out.

Jim

---

James C. McCrea  
JAMES McCREA & ASSOCIATES LLC  
[REDACTED]  
Wilton, CT 06897  
Phone: (203) [REDACTED]  
Fax: (203) [REDACTED]  
jimmccrea@[REDACTED]

---

**From:** Silver, Jonathan (mailto:[REDACTED]@hq.doe.gov)  
**Sent:** Saturday, October 30, 2010 12:40 PM  
**To:** 'jimmccrea@[REDACTED]'  
**Subject:** Re: Strategy Question

While I might agree with you intellectually, that is not where we are. Let's finish this process and get back to business. When they don't fast track something, we'll complain. We've gotten deals done with the 55% recovery rate; we'll get deals done this way. Please add commentary and additional points to what I've written and let's get this done and get back to work.

Again, worst case, we're back to where we started. I don't personally believe that, after this, they will turn down non fast tracked deals either (except maybe take out financing).

Jonathan Silver  
Executive Director  
Loan Programs  
U.S. Department of Energy

[REDACTED]@hq.doe.gov

---

**From:** jim McCrea <jimmccrea@[REDACTED]>  
**To:** Silver, Jonathan  
**Sent:** Sat Oct 30 12:33:38 2010  
**Subject:** Strategy Question

I am growing increasingly worried about a fast track process imposed on us at the POTUS level based on this chaotic process that we are undergoing. The work to date does not have near enough staff work to be supportable and is totally being done on the fly and is being used by other agencies to impose theological views. We really get little out of fast tracking when you get right down to it and the process that is being designed is pure crap. Further, by legitimizing some of their theological views in the fast tracking screens, we give those views credibility that will be certainly be used against

## Sample of Leaked emails from Colorado DA- Part 2

**From:** James C. McCrea <[REDACTED]>  
**Sent:** Wednesday, June 16, 2010 1:32 PM (GMT)  
**To:** Teimori, Kimberly <[REDACTED]> @hquidre.gov >  
**Subject:** FW: 28 Day Clock

---

FYI

Jim

James C. McCrea

JAMES MCCREA & ASSOCIATES LLC



*Original Message*

**From:** James C. McCrea <[REDACTED]>  
**Sent:** Tuesday, June 15, 2010 11:10 PM  
**To:** Silver, Jonathan  
**Subject:** RE: 28 Day Clock

Jonathan –

I do not have a good sense of why the DOE and OMB agreed to the 28 day clock following Solyndra. Perhaps Matt might have a better answer. I don't know how it was designed to fit inside the Final Rule's requirement (50129-3(f)) that an approved credit facility must be provided to the Secretary no later than 30 days prior to closing. The meaning of this requirement was debated during the Solyndra closing and the legal conclusion was that it meant no closer to closing than 30 days prior.

The credit rating cannot be obtained until the transaction documents are near final (which I have been telling deal teams means the last draft before execution version when everything that could affect the credit rating is agreed upon and only minor elements of the main documents are being worked on). I have been explaining this to give them some warning from having to have fully negotiated documents. Other less fundamental transaction documents may be in the process of being drafted but their content would not have been finalized.

Once the credit rating comes in, it takes Credit 7-8 days to review it and prepare the required crosswalks to the earlier credit assessment that came in with the application and as we have a explanation of any differences between the DOE rating and that of the external credit rating. And of course analysis and report by the examiner between DOE and OMB.

The more I think about it, I am not sure that the counsel and deal teams will generally be ready to close much before the 28 days have run. They have to do the final term sheet major terms review. They also have to complete the other transaction documents, including opinions, as often the LBOC is been here, and do all the other ancillary aspects of closing, get final cash flow schedule with final interest rate and spreads. They have to submit the final cash flows on which the transaction will close to OMB no later than 3 days prior to closing so that the numbers can receive final approval from the various departments that can be taken, which involved OMB, the CPO's office along with Loan Programs. My guess (although Kimberly Heinert or Ruth Ku could perhaps give a more precise perspective based on First Wind and Banco) is that there is close to 3 weeks of work left to get the transaction fully ready to close. The thought about that way, I am not sure that the 28 day process really is as much of a constraint as it might appear at first glance. Could it be speeded up a bit? I likely although not likely by more than a week in my view best case. In an ideal world, we would all strive to meet 28 days by as much as we can and get the Secretary to waive the 30 day requirement on the credit rating so we can close when everyone agrees that they are ready.

Jim

James C. McCrea

JAMES MCCREA & ASSOCIATES LLC



JM\_00074617

AUTOMOTIVE TRADE POLICY COUNCIL  
on behalf of CHRYSLER LLC, FORD MOTOR COMPANY and GENERAL MOTORS CORPORATION  
Submitted by: Steve Collins  
Date: October 31, 2008

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DRAFT INTERIM FINAL RULE (October 29, 2008)

DEPARTMENT OF ENERGY

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-10 CFR Part 611

Advanced Technology Vehicles Manufacturing Incentive Program

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-DEPARTMENT OF ENERGY

10 CFR Part 611

RIN 1901-xxxx

Advanced Technology Vehicles Manufacturing Incentive Program

AGENCY: Office of the Chief Financial Officer, Department of Energy

ACTION: Interim final rule and request for comment.

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SUMMARY: Pursuant to Section 136 of the Energy Independence and Security Act of 2007 (the Act), the Department of Energy (DOE) is establishing regulations for an Advanced Technology Vehicles Manufacturing Incentive Program. Specifically, Section 136 of the Act directs DOE to “carry out a program to provide a total of not more than \$25,000,000,000 in loans” to the manufacturers of advanced technology vehicles and qualifying components “for the costs” of the following activities: “(1) reequipping, expanding, or establishing a manufacturing facility in the United States to produce (A) qualifying advanced technology vehicles; or (B) qualifying components; and (2) engineering integration performed in the United States of qualifying vehicles and qualifying components.” Subsection 136(g) of the Act further directed DOE, in making “loans to those manufacturers that have existing facilities, [to] give priority to those facilities that are oldest or have been in existence for at least 20 years. Such facilities can currently be sitting idle.”

DATES: Effective Date: This interim final rule is effective [on date of publication in the Federal Register]. Comment Date: Written comments must be received by [60 days from the date of publication in the Federal Register]



**U.S. House of Representatives**  
**Committee on Oversight and Government Reform**  
**Darrell Issa (CA-49), Chairman**



**The Department of Energy's Disastrous Management of Loan Guarantee Programs**

**STAFF REPORT**  
**U.S. HOUSE OF REPRESENTATIVES**  
**112<sup>TH</sup> CONGRESS**  
**March 20, 2012**

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