

## McAuliffe vs. Cuccinelli: Virginia Race a Bellwether?

*Environmentalists flood the 2013 elections with cash*

**By Michael Bastasch and Steven J. Allen**

**Summary:** Environmentalists poured millions into the 2013 elections, achieving considerable success even when the candidates they backed had severe weaknesses. Ironically, one of the biggest contributors made his own fortune in fossil fuels.

Off-year elections are often bellwethers, indicators of how politics will turn in the electoral cycles that follow. Off-off-year elections—those conducted in odd-numbered years—often serve as laboratories in which political parties and interest groups try out new strategies and tactics. In these elections, with fewer races on the ballot, people in politics can experiment, innovate, and lay the foundation for future campaigns.

On several fronts, 2013 was a key year for the environmentalist movement, as “greens” sought to punish their enemies (especially skeptics of Global Warming theory) and reward their friends (including politicians who will help secure funding for Global Warming advocacy and “green crony-capitalism”). Environmentalists pumped millions into state and local races across the country, targeting Republicans in general as well as Democrats they considered too moderate. Virginia in particular became a critical battleground, as Attorney General Ken Cuccinelli, a Republican, ran for governor against Democrat Terry McAuliffe, an operative for Bill and Hillary Clinton.

Cuccinelli is hated by “greens.” He has been one of the most vocal opponents of the Obama administration’s War on Coal. As Virginia’s top legal officer, he investigated an academic corruption case in which state funds were used to promote



**In his race for governor of Virginia, Clinton operative Terry McAuliffe (center) backed the War on Coal and other costly policies rooted in a belief in Global Warming theory. Speaking for him at this campaign event was Michael Mann, co-creator of the infamous “hockey stick” graph used by theory proponents.**

Global Warming theory. He filed suit against the Environmental Protection Agency when EPA bureaucrats sought to regulate storm-water runoff as a form of pollution. Among candidates for office in 2013, he was Public Enemy #1 to environmentalists.

Meanwhile, McAuliffe was running as a new sort of entrepreneur—one who attains wealth by gaming the system, using political connections, and taking advantage of a complex system of government grants, subsidies, and mandates designed to promote wind and solar energy, electric cars, and other projects favored by “greens.”

Just as activists on the Left made defeating Cuccinelli a national priority, they made a priority of electing McAuliffe, not only for his position on environmental issues but also for his role as a faithful lieutenant to the Clintons. (The conventional wisdom is that, as governor, he will

be in a good position to deliver Virginia, a key swing state, to Hillary Clinton if she is the Democratic presidential nominee in 2016.)

Virginia is a coal state, where a governor sympathetic to the environmentalist agenda could help “greens” rid the U.S. of the coal industry. In the state’s 2013 election, the environmental movement outspent traditional/hydrocarbon fuel interests by about four-to-one, according to the Virginia Public Access Project. Those are the official figures; investigative news

### January 2014

Virginia 2013 a bellwether?  
Page 1

Climategate, the hockey stick, and U.Va.  
Page 4

McAuliffe’s crony capitalism company  
Page 7

Green Notes  
Page 8

reports suggest environmentalist spending was much higher.

The hypocrisy is glaring: Environmentalists are among the leading advocates of using campaign finance laws to effectively censor political campaigns. Indeed, the Sierra Club and Greenpeace are among the leaders in the Democracy Initiative, a coalition of major interest groups fighting for such restrictions. [See the June 2013 *Green Watch*.] The Koch Brothers, wealthy activists who fund various pro-freedom groups, are reviled by “greens” and play key roles in left-wing conspiracy theories. Meanwhile, billionaires who fund environmentalist causes are depicted by major news organizations, Hollywood, and the Left in general as saintly philanthropists.

A Cuccinelli spokeswoman complained to the Washington newspaper *The Hill*: “Terry McAuliffe has courted and relied upon an unprecedented amount of out-of-state support from liberals like Michael Bloomberg and Tom Steyer who are counting on him to impose a big-government, radical agenda on Virginia workers and families.” Bloomberg, the billionaire mayor of New York City, was after Cuccinelli because of the Virginia attorney general’s position on gun-related issues (Bloomberg favors a wide range of restrictions on human rights, and funds the anti-Second Amendment group Mayors Against Illegal Guns).

But who is Tom Steyer?

---

**Editor:** Steven J. Allen

**Publisher:** Terrence Scanlon

**Address:** 1513 16th Street, NW  
Washington, DC 20036-1480

**Phone:** (202) 483-6900

**E-mail:** [sallen@CapitalResearch.org](mailto:sallen@CapitalResearch.org)

**Website:** [CapitalResearch.org](http://CapitalResearch.org)

**Green Watch** is published by Capital Research Center, a non-partisan education and research organization classified by the IRS as a 501(c)(3) public charity. Reprints are available for \$2.50 prepaid to Capital Research Center.

---

### **Tom Steyer will “destroy” you**

Currently, a top priority of the environmentalist movement is stopping the Keystone XL pipeline, which would bring Canadian oil to American refineries, but the stop-Keystone campaign is losing steam. Polls suggest the vast majority of Americans support building the pipeline and, over the course of 2013, protests against the pipeline attracted diminishing numbers.

In February 2013, environmentalists got some 30,000 people to protest Keystone, using approximately 130 buses to bring in protesters from across the country (carbon footprint be damned!), but by September a similar protest drew about 100. In recent months, the protests lost their focus, shifting from tens of thousands of people specifically opposing the pipeline to handfuls of protesters coming out against capitalism more generally.

It’s a losing issue for environmentalists. A September Pew poll found 65% of Americans supported building the pipeline, while only 30% opposed it. More importantly, 51% of Democrats and 64% of Independents favored building the pipeline, meaning environmentalists can’t blame opposition on the hated Republicans. The support from Democrats represents a political and public-relations nightmare for pipeline opponents.

This is where San Francisco’s Tom Steyer (estimated wealth: \$1.4 billion) comes in. As co-founder of the Farallon Capital Management hedge fund, he made a fortune investing in the hydrocarbon fuels that are attacked as “fossil fuels.” Today he is today one of the biggest bankrollers of the environmentalist crusade.

As a bundler for the Obama campaign, he raised a reported \$50,000 for the President’s re-election. He contributed some \$275,000 to Democratic candidates and committees in 2007-2012. He left Farallon and became a major backer of the effort to stop the Keystone XL pipeline from being approved by the State Department. Environmentalist reporter Juliet Eilperin (whose husband, Andrew Light, handles “green” issues at the Obama-allied Center

for American Progress), wrote in a glowing *Washington Post* profile in February:

Armed with his wealth and his political connections, Steyer has played a critical behind-the-scenes role in helping shape the country’s national energy policy. He has helped bankroll two successful ballot initiative campaigns in California since 2010, including one last fall that closes a corporate tax loophole and steers \$500 million toward energy-efficiency projects for each of the next five years. He has funded initiatives at the Brookings Institution and the Center for American Progress, along with major research centers at Yale and Stanford. And he has spoken with President Obama about how to pursue climate and energy policy in a second term.

(The article was widely seen as promoting Steyer for the position of energy secretary, then coming open.) Alexandra Jaffe of *The Hill* reported in April:

A California billionaire is pledging to spend as much of his fortune as necessary to make climate change “the defining issue of our generation.”

Tom Steyer [said] that he wants to make climate change a campaign issue for years to come and Democratic support for environmental protections as widespread as support for gay marriage and immigration reform.

“The goal here is not to win. The goal here is to destroy these people. We want a smashing victory,” Steyer said of candidates he judges to be on the wrong side of the climate change debate.

“Really, what we’re trying to do is to make a point that people who make good decisions on this should be rewarded, and people should be aware that if they do the wrong thing, the American voters are watching and they will be punished.” . . . [H]e’s planning to invest millions in races at every level, both primary and general, to boost leaders on environ-

mental issues and to “destroy” those perceived as anti-environment.

According to Drew Johnson of the Taxpayers Protection Alliance, Steyer gave \$1.8 million to a super PAC supporting anti-Keystone XL candidates and spent another \$1 million on an ad campaign attacking the pipeline with dubious economic and environmental claims.

### **Double dealing or extremism?**

Some see Steyer’s position—opposing the Keystone XL project while investing in oil pipelines that are the project’s competitors—as evidence of hypocrisy or a conflict of interest. Steyer’s former hedge fund, in which he still has a financial stake, holds investments in Keystone’s competitors, including the oil pipeline giant Kinder Morgan. The hedge fund’s SEC filings for the first quarter of 2013 show investments of more than \$300 million in pipelines and other hydrocarbon fuels equipment.

Kinder Morgan is planning to expand its TransMountain pipeline from Alberta to refineries on the U.S. and Canadian coasts. TransCanada is looking to have the Keystone pipeline take oil from Alberta to the U.S. Gulf Coast. Both pipelines will bring so-called “dirty” tar sands oil from Canada, but Steyer has been silent on Kinder Morgan’s pipeline expansion.

Steyer has said that any profits he makes off of his Kinder Morgan investments will be donated to charity (a category that includes both real, traditional charities and many political organizations). He said he has made continued efforts to make his investments more “green” by divesting of hydrocarbon fuels.

Still, opposition to Keystone XL does seem to benefit his former firm, Farallon Capital. “I think it’s hypocrisy, quite frankly,” said Sen. David Vitter (R-La.), ranking Republican on the Energy and Public Works committee. “Who knows when he’s going to divest of these investments . . . maybe in a few months when his helping kill Keystone will boost them up to top value. . . . Who knows?” Even if he does not personally profit from blocking Keystone XL, an observer could point to

the hypocrisy of making money in hydrocarbon fuels, then working to prevent others from doing the same.

“The problem isn’t that he ran a hedge fund that made a lot of money in oil and gas and now is spending it to stop the Keystone Pipeline,” Myron Ebell, director of global warming and international environmental policy at the Competitive Enterprise Institute, told the Daily Caller News Foundation. “The problem is that he’s another wealthy American who is undermining the basis of our prosperity. The billionaires will survive the consequences of the policies they advocate and many will prosper as crony capitalists who can get special treatment in Washington. But middle class and poor Americans will suffer from Steyer’s anti-fossil fuel agenda.”

Like Al Gore, who used his political connections and “green” activism to amass a fortune in excess of \$200 million, Steyer mixes business interests with environmental extremism. He started up a venture capital fund for environmental causes called Greener Capital. The firm, funded with \$15 million from Steyer, profits from subsidies, mandates, and other programs that promote “green” energy projects at the expense of taxpayers and consumers. (In turn, Steyer’s political spending benefits politicians and organizations that support these programs as a way of fighting Global Warming/Climate Change/Extreme Weather.)

“Greener Capital profits from green energy handouts and tax credits—the same handouts and tax credits enacted by the progressive lawmakers who happily snatch up Steyer’s hefty campaign contributions,” wrote TPA’s Drew Johnson.

### **Going after Stephen Lynch**

As the anti-Keystone campaign lost steam, Steyer increased his involvement in electoral politics. He was a major player in the Massachusetts race for a U.S. Senate seat in Massachusetts, the seat that John Kerry gave up to become secretary of state. Steyer spent seven figures backing the campaign of Ed Markey, a Democratic congressman with a long record of support for left-wing causes, including environ-

mentalism. (Markey ultimately won the Senate race.) Markey was the co-author of the failed 2009 cap-and-trade bill; he opposed liquefied natural gas exports and the Keystone pipeline; and he was a reliable vote for the most extreme position on any given environmental issue.

Markey’s opponent in the Democratic primary was liberal Rep. Stephen Lynch, considered a moderate by Massachusetts standards. *The Huffington Post* reported during the campaign that “The hedge fund

### **League of Conservation Voters a key player in politics**

The League of Conservation Voters has become a major funding force in recent years, funneling millions of dollars to liberal and left-wing causes across the country. The Center for Public Integrity obtained documents showing the League spent a record \$36 million in 2012, 40% of which went to “direct and indirect political campaign activities.” CPI noted that the League is quickly becoming one of the country’s largest sources of “dark money,” money that can be used in a campaign without being disclosed before election day.

CPI’s investigation found that the League received huge amounts of funding from a nonprofit started by two former Obama administration aides as well as “progressive” and “green energy” groups. “The Green Tech Action Fund—which describes itself as a ‘nonpartisan, not-for-profit grant-making organization’ with the goal of spurring ‘big new markets for clean energy technologies’—contributed \$2.6 million. . . . And The Advocacy Fund—which touts itself as a way to enable ‘progressive donors and activists to impact the legislative arena’—contributed \$2 million.” CPI added that “Priorities USA, a Democratic-aligned nonprofit headed by former White House staffers Bill Burton and Sean Sweeney, gave \$650,000 to the League of Conservation Voters in 2012.”

manager turned environmentalist [Steyer] has threatened to spend big money [in the race] if Markey's opponent, Rep. Steve Lynch, does not renounce his support for the controversial Keystone XL oil pipeline. Now Markey is saying thanks but no thanks for the support."

Markey publicly rejected Steyer's help, in an effort to keep (or at least appear to keep) a pledge he had signed. The so-called

People's Pledge obligated a candidate to donate to charity one-half of the money spent by outside groups and individuals on media buys and mailers for his campaign. The Markey campaign declared, "Ed Markey categorically rejects any third-party expenditure against Stephen Lynch that would violate the People's Pledge they both have signed, and urges groups and individuals on both sides to respect the pledge to keep outside adver-

tisements off Massachusetts airwaves. . . . Ed Markey remains committed to cleaning up our elections by repealing the court's misguided *Citizens United* ruling." (That's a reference to a Supreme Court decision upholding the First Amendment in political campaigns and allowing the sort of outside campaign conducted by Steyer.)

But Markey's opposition to Steyer's outside spending did not stop him from

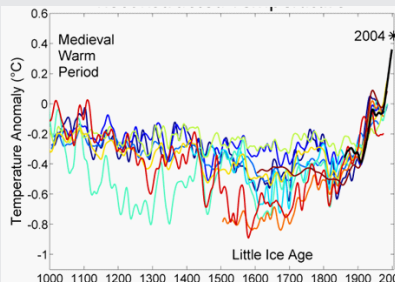
## Climategate, the hockey stick, and the University of Virginia

More than any other factor, Cuccinelli's stand on the Climategate scandal made him the target of environmentalists. The scandal resulted from a whistleblower's November 2009 release of thousands of e-mails and related computer files which had been sent between scientist-activists working to promote belief in Global Warming theory. The material revealed the "trick" that had been used to "hide the decline" in observed temperatures. James Taranto of the *Wall Street Journal* noted the intellectual corruption:

The e-mails . . . showed how corrupt the peer review process had become. In one, Mann [Michael Mann, assistant professor at the University of Virginia] suggested a boycott of a journal that had published an article questioning the global-warmist hypothesis: "Perhaps we should encourage our colleagues in the climate research community to no longer submit to, or cite papers in, this journal." In another, Phil Jones, the director of the Climate Research Unit [at the University of East Anglia], wrote to Mann promising to prevent skeptics' papers from being cited by the UN's International Panel on Climate Change: "Kevin and I will keep them out somehow—even if we have to redefine what the peer-review literature is!"

The British newspaper the *Daily Mail* noted that the original Climategate documents and a subsequent leak of information showed "a systematic suppression of evidence, and even publication of reports that scientists knew to be based on flawed approaches," painting "a picture of scientists manipulating data."

Before Climategate, Mann was known principally for his and two colleagues' representation of temperature patterns that seemed to show rapid, extreme Global Warming—a pattern that, on a chart, resembled a hockey stick. A 2003 study by mathematician Stephen McIntyre and economist Ross McKittrick found that the



"particular 'hockey stick' shape . . . is primarily an artifact of poor data handling, obsolete data and incorrect calculation of principal components."

Given that Mann, one of the two principals in Climategate, was an assistant professor at the University of Virginia, it fell upon Cuccinelli, as Virginia's attorney general, to seek the documents needed to determine the state's involvement in the scandal. The Cuccinelli campaign described his role this way:

When the infamous "Climategate" e-mails became public, demonstrating unprecedented deceit and bullying by academics—including Michael Mann—questions were raised regarding whether misstatements were made in an effort to win government funding. Cuccinelli only sought to review documents held by the University of Virginia to review whether any false statements had been made in an effort to obtain taxpayer funding. The matter was not a disagreement over science, but was simply Cuccinelli seeking to protect taxpayers.

During the gubernatorial race, Mann, now a professor at Pennsylvania State, went on the campaign trail against Cuccinelli and made TV appearances to bash him. "Virginians have a very stark choice before them. On the one hand you have Terry McAuliffe who embraces science and technology, who recognizes that technological innovation is what's going to help Virginia compete in a world economy in the 21st Century," Mann told MSNBC's Chris Hayes. "On the other hand, you have Ken Cuccinelli. Somebody who views science as something to attack if it doesn't comport with his ideological views, or the views of the special interests that fund his campaigns."

The Wednesday before the election, McAuliffe brought in former President Bill Clinton to campaign for him. Introducing Clinton and McAuliffe at the rally: Michael Mann. "We cannot grow Virginia's economy by suing scientists," McAuliffe told cheering supporters.—*MB&SJA*

accepting the help of the environmentalist movement. In fact, Markey's largest donor was the League of Conservation Voters, which donated more than \$154,000, according to the Center for Responsive Politics. The League, in turn, received a quarter-million dollars from NextGen Climate Action, a PAC funded by, of all people, Tom Steyer. "It's the Circle of Life," joked one observer. The *Washington Post's* Juliet Eilperin wrote about Steyer's involvement:

Steyer . . . sought to turn Lynch's support for Keystone XL into a key issue in the primary. Lynch voted in the past to pressure Obama to grant TransCanada a permit to construct the pipeline, though by the end of the campaign he said he would wait until the State Department completed its environmental review of the proposal before taking a final position. . . .

Steyer's NextGen political action committee spent \$630,000 on a combination of grassroots organizing and public relations gimmicks, such as having a plane circle near Fenway Park the day the Red Sox played for the first time earlier this month, dragging a banner reading "Steve Lynch for Oil Evil Empire."

They planned to spend another \$500,000, according NextGen PAC spokesman Brian Mahar, but didn't because of the halt in campaigning in the wake of the Boston Marathon bombing. . . .

NextGen's most effective investment was likely the \$250,000 it spent helping finance the League of Conservation Voters' voter mobilization efforts, adding to the nearly \$600,000 LCV was already spending. In less than three months, LCV knocked on more than 250,000 doors and made more than 180,000 phone calls to voters before Tuesday's primary.

"We were very pleased to partner with Tom in a grassroots program to help a real climate champion win his race overwhelmingly," LCV president Gene Karpinski wrote in an e-mail. . . .

Craig Altemose, one of the young Massachusetts climate activists who invited Steyer to get involved in the race, said NextGen played a critical role in shaping the contest's political discourse.

"Despite halting our marketing and media efforts after the marathon, our polling and focus groups showed that we succeeded in elevating climate and the Keystone pipeline as prominent issues for our political leaders to address," he said in a statement. "For example, our outreach efforts reached 600,000 faith voters before and after the marathon and resulted in 70,000 Christian voters taking action on climate. I'm confident that more electoral engagement on these issues will be crucial to winning a safe and livable climate for all."

[For more on efforts to trick Christians into supporting environmentalism, see last month's *Green Watch*.] Markey won the primary over Lynch by 15 points and went on to defeat the Republican candidate by 10 points.

#### **Targeting the people of Virginia**

In this year's race for governor in Virginia, *Politico* called Steyer Virginia's "\$8 million man" and noted that the billionaire pumped \$8 million of his own money into the effort to beat Cuccinelli and elect McAuliffe. The newspaper reported: "The sum is more than three times the investment that's been previously reported, and it nearly matched what the Republican Governors Association, the largest GOP outside spender, put into the Virginia governor's race. It is more money, on a per-vote basis, than the famously prolific conservative donors Sheldon and Miriam Adelson spent in the 2012 presidential election." (!)

Steyer spent big money to inject Global Warming issues into a race where "state education and transportation issues, and a federal government shutdown, almost certainly played a more decisive role," according to *Politico*. Those efforts included \$3.1 million on TV ads, \$1.2 million in digital ads, campaign mail, and funding for an effort to knock on

doors at 62,000 homes; they even hired a Cuccinelli impersonator to show up at public events.

Through his activist group NextGen Climate Action, Steyer donated to McAuliffe and launched various ad campaigns aimed at labeling Cuccinelli "anti-science" (ironic, given Cuccinelli's efforts to defend legitimate science from Global Warming activists). Steyer's people also attacked Cuccinelli over a case involving gas royalties in which a deputy of his appeared to take the side of energy companies against landowners.

Steyer wasn't the only major "green" funder of the McAuliffe campaign. McAuliffe was also heavily supported by the League of Conservation Voters and the Sierra Club. The League gave about \$1.7 million, and the Sierra Club gave nearly \$500,000. Both groups also sprang for their own ads.

Cuccinelli received nearly \$900,000 from coal, oil, and natural gas industries (with about two-thirds of that total coming from coal). Counting the roughly \$3.8 million from Steyer, the League, and the Sierra Club, environmentalists outspent hydrocarbon fuels interests by more than four-to-one. In addition, the League mobilized an army of volunteers to knock on 100,000 doors in the Richmond area as well as 300,000 doors across the state during the election, according to *The Hill*. "Voters are excited to cast their ballots for Terry McAuliffe and send a strong message to Ken Cuccinelli that his climate change denial makes him unelectable in Virginia," proclaimed the League's Navin Nayak.

#### **Fighting 'til the end**

McAuliffe personally downplayed "green" issues in order to make himself appear moderate and reasonable. He declared his support for offshore drilling. He dragged his feet on the issue of EPA's anti-coal regulations; eventually, given a choice of being pro-coal or anti-coal, he took both sides, supporting the EPA but declaring in essence that coal plants should be allowed on a case-by-case basis. "There are no requests for future coal facilities, and if one comes in under our

administration we'll sit down at that time, but we don't have any requests," McAuliffe said. "There's no permit requests to do any coal facilities today in Virginia."

In the last months of the campaign, the McAuliffe forces pummeled Cuccinelli in TV ads, depicting him as anti-woman and politically extreme. Shunned by many of Virginia's wealthy "country club Republicans," the attorney general lacked resources to respond to the attacks, and he fell behind by more than ten points (in one poll, 17 points). Meanwhile, a Libertarian Party candidate pulled a significant amount of support that would normally go to a GOP candidate.

Then Sen. Ted Cruz (R-Tex.) and a group of Tea Party-friendly Republicans shut down part of the government—roughly one-sixth of the government, for about 12 business days—in a last-ditch effort to stop Obamacare. The mini-shutdown was supposed to be a disaster for the GOP, especially in a state with vast numbers of federal employees. But as the Obamacare disaster became clear, a dramatic shift came toward Cuccinelli, who had led conservative and moderate state attorneys general against the health care program. In the end, McAuliffe squeaked out a win, 48%-46%.

McAuliffe's campaign manager, Robby Mook, is a veteran of the Howard Dean for President campaign and ran the campaign of Maryland's left-wing Gov. Martin O'Malley. Mook praised Steyer's effort: "They kept Cuccinelli on defense—and defined him—over the gas royalties scandal and his witch hunt against climate change science. They made climate change denial and favoring out-of-state energy companies a powerful character statement and political liability."

Steyer, the League of Conservation Voters, the Sierra Club, and other environmental groups who have become increasingly active in recent elections are all laying the groundwork for a bigger push in 2014. Steyer's political advisor is Chris Lehane. Lehane and his business partner Mark Fabiani were known as "Masters of Disaster" during the Clinton administration for their skillful efforts to deal with

the many White House scandals of the period. Lehane developed the idea that a vast right-wing conspiracy was framing Clinton for wrongdoing, an idea that became gospel in much of the news media. He served as press secretary for Al Gore when Gore ran for president in 2000, and was credited with using the last-minute revelation of George W. Bush's 1972 drunk-driving arrest to suppress the GOP vote and help Gore win a popular-vote plurality. In recent years, he played a major role in Global Warming-related initiative campaigns in California, campaigns backed by Steyer.

Lehane has declared his plans to help NextGen and Steyer build on their successes in the 2014 elections: "We want to establish a real presence in the early states to impact the candidates and make climate a top-tier issue, whereby candidates are forced to put forth comprehensive climate policies and address the issue." According to Steyer, his organization will be increasingly involved in state and local politics: "We can focus much more on local or state races and have a different vision of how this is really going to play out as opposed to thinking everything has to run through Washington, D.C."

The 2013 Virginia governor's race is a prime example of how a billionaire, deeply committed to a cause in which he believes, can change the course of a state's politics. And the messaging techniques and get-out-the-vote strategies used in Virginia will appear in campaigns around the country in 2014, in the presidential campaign in 2016, and in still more campaigns for years to come.

.....

### **McAuliffe's GreenTech cited as "green" crony capitalism**

When Terry McAuliffe ran for governor, he styled himself a "businessman," although his business experience consisted of using political connections to get subsidies and other special deals. That's a well-worn path for left-wingers in Virginia politics, traveled earlier by, for example, former Governor/now U.S. Senator Mark Warner. Warner was a staffer for the no-

torious Sen. Chris "Friend of Angelo" Dodd (D-Conn.) when he gained critical information about mobile phone franchise licenses, information he parlayed into a fortune estimated at \$200 million. When Warner ran for office, his wealth provided a financial stake for his campaign, and he raised a lot of cash from fellow "crony capitalists," and all that money paid for an advertising/public-relations campaign (including a NASCAR sponsorship) calculated to make him seem moderate and pro-business.

Before running for governor, McAuliffe was known mainly as a political fundraiser, largely for the Clintons and, to a great extent, from businesses with ties to China's murderous Communist dictatorship. Needing a business credential to run for governor of Virginia, McAuliffe founded GreenTech Automotive and purchased a Chinese company, EU Auto MyCar, a manufacturer of "green" electric automobiles (actually golf-cart style vehicles, not highway-legal cars). He then received a package of special-interest "incentives"—loans, grants, and targeted tax breaks worth at least \$5 million—from state and local governments in Mississippi.

Why not build a plant in Virginia, where McAuliffe was running for governor? The answer: Because no such package of "incentives" was available from Virginia state officials. Their reluctance wasn't based on free-market principles, of course. They just thought McAuliffe's operation looked like a scam. According to the Associated Press, the state agency in question worried "GreenTech lacked brand recognition; had not demonstrated vehicle performance; had no federal safety and fuel-economy certification; no emissions approval . . . no distribution network," and "no demonstrated automotive industry experience within the executive management team."

GreenTech Automotive was basically another Solyndra—a "green" business without a workable business plan that existed only to take advantage of available tax dollars. In April, Kim Strassel wrote about GreenTech in the *Wall Street Journal*:

Turn over any green-energy rock, and wiggling underneath will be the usual creepy mix of political favoritism and taxpayer-funded handouts. Add to this the Clintons, Mississippi and a murky visa program, and you've got a particularly ripe political embarrassment for Terry McAuliffe. . . .

The former [Democratic National Committee] chief is no stranger to moneymaking, having once used a friendly union pension fund to spin a \$100 investment in a Florida land deal into \$2.45 million. GreenTech, however, was designed to shed the moneyman image and to reposition Mr. McAuliffe as a (clean) job creator the way Mark Warner and [current Gov.] Bob McDonnell used their pro-business credentials to win office in Virginia.

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. . . .

GreenTech bragged that in its first phase alone it would invest \$1 billion, employ 1,500 and produce 150,000 cars annually. . . . GreenTech looks to be a lemon. Despite promising production in 2011, there is no evidence the company is manufacturing any cars in volume. It is operating out of a temporary site and has yet to begin building its flagship factory in Tunica. GreenTech is the latest proof (after Solyndra, Fisker, A123 and others) that the political class is adept at hooking up cronies and investors with taxpayer dollars. But creating jobs? No can do.

#### **Visas for sale**

Much criticism of McAuliffe in the campaign involved a little-known visa program known as EB-5. Under the 1990 immigration law, this program allows a foreigner to receive a green card if he

or she invests \$1 million in a U.S. company (\$500,000 if it's in a rural or high-unemployment area). Both government agencies and private companies can obtain authority to issue EB-5 visas.

To take advantage of the program, GreenTech partnered with Gulf Coast Funds Management, run by Anthony Rodham. Rodham is the brother of Hillary Rodham Clinton, the ex-son-in-law of Sen. Barbara Boxer (D-Calif.), and the godfather of the grandson of Aslan Abashidze, an official of former Soviet Georgia with a murky background. Abashidze, who partnered with Rodham in a deal to grow and export hazelnuts, was removed from office in 2004 in the face of public protests and now lives in Moscow; he was convicted of stealing millions in government funds (US\$57 million by one estimate) and is also accused of murdering a former deputy.

Gulf Coast Funds tried to acquire a visa for a Chinese telecom company reportedly tied to Chinese intelligence.

Alejandro Mayorkas, director of the U.S. Citizenship and Immigration Services and now President Obama's nominee for Deputy Secretary of Homeland Security, is reportedly under investigation for his role in helping Gulf Coast Funds secure approval to participate in the visa program, even though the company's original application was denied and also rejected on appeal. Mayorkas, by the way, was criticized in 2001 by the House Committee on Government Reform for his efforts to obtain a commutation for a drug trafficker, Carlos Vignali; the commutation was part of the "pardongate" scandal in the final hours of Clinton's administration. (As this issue went to press, it appeared that Mayorkas would be confirmed for the Homeland Security post, one of the first nominees confirmed under a new Senate rule on filibusters. The new rule effectively eliminates the ability of Republicans to block Obama appointments except for seats on the Supreme Court.)

Regarding EB-5, Kim Strassel wrote:

A federal immigration agency approves "regional centers" that ad-

minister the program. While these centers can be run by local government, GreenTech proposed running a Virginia center itself. One official at the Virginia development agency wrote to colleagues that she couldn't view GreenTech's EB-5 program as "anything other than a visa-for-sale scheme with potential national security implications."

Interestingly, McAuliffe appears to have continued representing himself as chairman of GreenTech in the early months of 2013, despite resigning from the company in December 2012 (a March 2013 memo from the company described him as "chairman emeritus"). After the company became controversial, due largely to journalism from the nonprofit Franklin Center and its Watchdog.org project, McAuliffe became eager to point out he had resigned from the company in 2012. (For its efforts, the Franklin Center was sued by the company; a spokesman said the organization stands by its reporting.)

McAuliffe's scandals are simply too numerous to detail in this space. For example, as reported by the *New York Times* in 1999, "A former Democratic official has testified that Terence McAuliffe, President Clinton's friend and chief fundraiser, played a major role in promoting an illegal scheme in which Democratic donors were to contribute to the Teamster president's re-election campaign, and in exchange the Teamsters were to donate large sums to the Democrats." In another case, McAuliffe helped arrange a deal in which Loral Space was allowed, over the opposition of national-security officials, to sell technology to the Communist Chinese that could be used for satellites and ballistic missiles; Loral's CEO became the top contributor to the Democratic National Committee, chaired by McAuliffe. The Circle of Life, indeed!

*Michael Bastasch is a reporter for the Daily Caller News Foundation. Dr. Steven J. Allen (J.D., Ph.D.) is editor of Green Watch.*

**GW**

# GreenNotes

The left-wing blog **Climate Progress** recently exhibited amusement at a turnaround of a sort that's common in politics: business people supporting a candidate who loses, then trying to make peace with the winner. In the governor's race in **Virginia** [see this issue's main story], some energy companies contributed to **Ken Cuccinelli** over **Terry McAuliffe** and now, the blog chortled, "those same donors who contributed so much to Cuccinelli's climate denier campaign are setting their sights on McAuliffe. According to recent campaign finance reports posted on the **Virginia Board of Elections** site, McAuliffe's **Inaugural Committee** has received \$25,000 from **Alpha Natural Resources**, an \$8 billion coal company that gave \$92,500 to Cuccinelli's campaign [and \$10,000 to McAuliffe's campaign]. **Dominion Resources**, a Virginia-based coal, gas, and nuclear conglomerate that gave Cuccinelli \$75,000 [and McAuliffe \$60,000], has given McAuliffe's Inaugural committee \$50,000." The blog asserted that "The donations can be seen as attempts to curry favor with McAuliffe." (The *Climate Progress* blog is an outlet of the **Center for American Progress**, headed by **John Podesta**, who has been tapped by the **White House** to serve as counselor to the **President**.)

When it comes to Global Warming ... darn that science! It's just too unpredictable for some folks. Take **Craig Rosebraugh**, former spokesman for the radical **Earth Liberation Front** who was once injured during a protest to support convicted cop-killer **Mumia Abu-Jamal**. Last year, Rosebraugh released a movie said to have been filmed in 14 countries: **Greedy Lying Bastards**, the story of the effort to "deny" Global Warming theory. In March, Rosebraugh told **Politico**: "I don't think we could have asked for a better time to release the film" because "thankfully—if you can call it thankfully—the climate has responded with the severe weather patterns in 2011 and 2012. We had the severe droughts, we had the wildfires, and, of course, hurricane Sandy this [past] year. And that really turned the tide on public opinion." But 2013 didn't continue the supposed trend; wildfires were at a 10-year low, and the U.S. experienced one of the calmest years on record for hurricanes and tornadoes, although one week in December some extreme weather did occur: 2,000 records set in the U.S. for snow and low temperatures. (By the way, the five summers with the highest number of 100 degree days across the U.S. are 1936, 1934, 1954, 1980, and 1930.)



On December 13, the **Los Angeles Times** reported that, "In **Cairo**, where local news reports said the last recorded snowfall was more than 100 years ago, children in outlying districts capered in white-covered streets, and adults marveled at the sight, tweeting pictures of snow-dusted parks and squares."

**James Taylor** of **Environment & Climate News** noted the first week in December that "Southern Hemisphere polar ice extent set new records this week, combining with fairly average Northern Hemisphere polar ice extent to set the final stages of a year marked by above-average global polar ice extent. Polar ice caps, apparently, are global warming deniers."

December marked five years since **Al Gore** predicted the **Arctic** would be free of ice within five years. Back then, he told a **German** audience, "the entire **North Polarized cap** [sic] will disappear in five years." Oops.

Despite government grants and subsidized loans, and special tax breaks, and regulatory mandates that force power companies to use ancient energy technologies such as wind and solar—despite all these special-interest favors that put taxpayers and ratepayers on the hook for more than 75% of the cost—so-called "green energy" is still not economical. In an editorial, the **Vermont Caledonian-Record** noted some of the projects funded by taxpayers:

Remember any of these bankrupt companies or the money taxpayers blew funding them? **Solyndra** (\$530 million); **Evergreen Solar** (\$25 million); **Beacon Power** (\$43 million); **EnerDel/Ener1** (\$118 million); **Abound Solar** (\$400 million); **A123 Systems** (\$279 million); **Raser** (\$33 million); **Range Fuel** (\$80 million); **Nordic Wind** (\$16 million); **Konarka** (\$20 million)?

What about these companies that, after billions in free money, are barely hanging on: **SunPower** (\$1.2 billion); **LG Chem Compact Power** (\$151 million); **Fisker** (\$500 million); **Nevada GeoThermal** (\$98 million); **Babcock & Brown** (\$178 million); **Johnson Controls** (\$299 million); **Brightsource** (\$1.6 billion); **ECotality** (\$126 million); **Vestas** (\$50 million); **Navistar** (\$39 million); **Mascoma Corp.** (\$100 million)?

The **Wind Production Tax Credit** was set to expire January 1, but opponents of such "green energy" scams shouldn't get their hopes up. The Wind PTC has expired before, and each time has been revived by **Congress**. But the last expiration, at the end of 2012, showed just how unworthy the wind industry is for this taxpayer subsidy: Even though the expiration lasted just two days, it reduced the amount of wind power installed through the first three-quarters of the year by an astonishing 96%. In other words, the wind industry—which supposedly needed only a "temporary" government push—is as dependent on tax dollars as ever.