TESLA MOTORS BIG BANKING AND STOCK SCAMA

The Cult of Tesla Survives Another Round of Bad News

Posted on by Paul Chesser

Elon Musk's quarterly earnings reports for Tesla Motors always offer a little razzle, a little dazzle, soon-to-be-unfulfilled promises, and rationalized failures.

This go-round was no exception, and after yet another shortfall of financial and vehicle delivery expectations, perhaps the biggest surprise was the revelation that $1.3 billion in subsidies from Nevada taxpayers won't be enough to get the hyped Gigafactory completed.

Spending and construction have only just begun on what is supposed to be Tesla's battery-making monster. According to its 10-Q filing with the Securities and Exchange Commission, $431 million was spent on the Gigafactory through June of this year, and $520 million is expected to be spent by the end of 2016. Tesla's partner in the project, Panasonic, said last month it would raise $3.86 billion, with most of it targeted for the Gigafactory. Another $1.7 billion came in via yet another equity sale. Alas, it apparently …

Nothing of greater significance can be said about the Department of Energy's Advanced Technology Vehicles Manufacturing loan program other than it was a wasteful failure. Nonetheless 85 U.S. Senators have determined that an additional, similar $1.6 billion program must be created, as part of a larger energy bill that passed last month.

Those who favored the extension of corporate welfare for alternative energy-fueled automobiles justified their decision with the same phony claims they made ten years ago when the ATVM program was established.

"Our measure will help manufacturers and suppliers research and develop innovative technologies to make the next generation of fuel-efficient vehicles, spurring job growth and reducing our dependence on foreign oil," said Democrat Sen. Debbie Stabenow of Michigan.

NLPC has documented the stumbles of the stimulus-fueled ATVM program – which still has $16 billion available – extensively. Two of its loan recipients, Fisker …

More Woes for Tesla from Consumer Reports

Posted on by Paul Chesser

As it continues to defy common sense and the laws of economics with its lofty stock price, Tesla has again shown it has little corporate competence in the ability to deliver a consistently functional product that satisfies customers.

The latest evidence comes in the recently rolled out Model X, which is allegedly an SUV, but looks like just another car. Retailing at a price only the extremely wealthy can afford ($138,000), the all-electric follow-up to the similarly troubled Model S automobile has stumbled out of the gate. The problems were outlined in a *Consumer Reports* article posted online Tuesday, which spurred a number of similar follow-up stories in other media, and temporarily caused Tesla's stock to dip. Long-time followers of the company know that is only a temporary condition, however.

Nonetheless those who actually own a Model X – as opposed to those who own a certificate of …

Super-Subsidized Tesla's Stock Suffers Precipitous Drop

Posted on by Paul Chesser

Wall Street, media and government darling Tesla Motors has seen its stock price nearly halved from seven months ago. For so long it has seemed that ongoing bad news never had an effect on the heavily subsidized upstart, but now perhaps the Teflon is eroding off CEO Elon Musk.

The precipitous, rapid descent preceded last week's horrid earnings report. *USA Today* helped smear lipstick on the pig, cheerily noting shares rose "14 percent at one point" after its earnings "miss" on Wednesday, because Musk delivered investors a "rosy outlook for the rest of 2016." This was in context of what the newspaper characterized as a "whopping loss" that "badly missed estimates."

That's the history of earnings reports with Tesla and Musk. The CEO with perpetually sanguine expectations never fails to deliver promising forecasts following dismal earnings reports, despite promises that are often not delivered.

Now he's got crashing …

US Taxpayers Hold Largest Debt in Troubled Spanish Solar Company

Posted on by Paul Chesser

A foreign renewable energy company, that U.S. taxpayers hold a major stake in via the Department of Energy Loan Program Office, is imperiled by massive debt and has begun the process of negotiating with its creditors as a prelude to possible bankruptcy.

The company is Abengoa, based in Spain, which reportedly holds 887 subsidiaries around the world. Reuters reported at the end of last month that investors declined to provide needed capital for the firm, which led to what is called, under Spanish law, “pre-insolvency proceedings.” That entails a four-month attempt to alleviate debt burdens. If that falls short, then formal bankruptcy proceedings would likely follow, which would be Spain’s largest in history. Effects would ripple globally.

Several international banks have investments at risk, to the tune of about $21.4 billion, according to Reuters. American taxpayers could be on the hook for $2.34 billion, which is the amount of debt …

Electric Vehicle Sales Plummet Without Taxpayer Subsidy

Posted on by Paul Chesser

For years NLPC has reported that the “market” for electric vehicles was anything but free and competitive against traditional gasoline-fueled automobiles. Instead it is “all hype and subsidies.”

The evidence could not be any clearer than what has happened in Atlanta. As Watchdog.org has reported, since a $5,000 state tax credit expired on July 1, sales of “zero-emission” electrics such as the Nissan Leaf have plummeted. Whereas monthly sales averaged 915 in 2015 until the year’s midpoint, sales in the month of August fell to 148, according to vehicle registration data compiled by R.L. Polk & Co.

“It was essentially taking money that would have been paid into taxes in Georgia and a subset of people were getting their car paid for,” said state Rep. Chuck Martin, a Republican, to Watchdog.org.

The steep drop was expected after the tax credit expired, but gasoline prices that are approaching $2 per …

Posted in coal, electric car, electric vehicles, Georgia, Green jobs, natural gas, Nissan, Nissan Leaf

Chinese Said To Turn Obama’s Stimulus Lemons Into Lemonade

Posted on by Paul Chesser

One of the stimulus-funded alternative energy companies that National Legal and Policy Center reported about most the last few years was A123 Systems, which the Department of Energy awarded $279 million to crank out special batteries for electric vehicles.

The examples of government failures in picking successes in industries and economies are countless, with President Obama's plan for subsidies of a million electric cars on U.S. roads by 2015 serving as Exhibit One. He was only off by several hundred thousand.

But that doesn't mean that vultures can't consume the carcasses left behind, which is exactly what the Chinese did with A123. As Bloomberg reported last week, the multinational automotive parts corporation Wanxiang Group is running the company to try to meet market demands and is "having better luck."

Whether "fortune" is leading A123 to an ultimately healthier place is still undetermined, but Wanxiang …

WHO IS RUNNING THE COVER-UP FOR TESLA'S INCREDIBLE FINANCIAL FRAUDS AND INVESTMENT BANK SCAMS? HSBC? DEUTSCHE? JP? GOLDMAN SACHS?

Unofficial _Sources

Photo: Win McNamee/Getty Images

Elizabeth Warren Asks Newly Chatty FBI Director to Explain Why DOJ Didn't Prosecute Banksters

David Dayen

Like a lot of other Americans, Sen. Elizabeth Warren wants to know why the Department of Justice hasn't criminally prosecuted any of the major players responsible for the 2008 financial crisis.

On Thursday, Warren released two highly provocative letters demanding some explanations. One is to DOJ Inspector General Michael Horowitz, requesting a review of how federal law enforcement managed to whiff on all 11 substantive criminal referrals submitted by the Financial Crisis Inquiry Commission (FCIC), a panel set up to examine the causes of the 2008 meltdown.

The other is to FBI Director James Comey, asking him to release all FBI investigations and deliberations related to those referrals. The FBI typically doesn't release investigative details about cases that the DOJ chooses not to pursue, but Warren pointed out that in releasing information about presidential candidate Hillary Clinton's use of a private email server in July, Comey had pretty much shattered that precedent and set a new one.

"You explained these actions by noting your view that 'the American people deserve those details in a case of intense public interest,'" Warren wrote to Comey. "If Secretary Clinton's email server was of sufficient 'interest' to establish a new FBI standard of transparency, then surely the criminal prosecution of those responsible for the 2008 financial crisis should be subject to the same level of transparency."

In other words, if Comey can spend hours relating FBI decision-making about State Department emails, he can do the same for the activity that made millions jobless and homeless.

The FCIC's criminal referrals, which were sent to the Justice Department in October 2010, have never been made public. But Warren's staff reviewed thousands of other documents released in March by the National Archives, including hearings and testimony, witness interviews, internal deliberations, and memoranda, and found descriptions and records of them.

They detail potential violations of securities laws by 14 different financial institutions: most of America's largest banks — Citigroup, Goldman Sachs, JPMorgan Chase, Lehman Brothers, Washington Mutual (now part of JPMorgan), and Merrill Lynch (now part of Bank of America) — along with foreign banking giants UBS, Credit Suisse, and Société Generale, auditor PricewaterhouseCoopers, credit rating agency Moody's, insurance company AIG, and mortgage giants Fannie Mae and Freddie Mac.

The FCIC presented the DOJ with evidence that these institutions gave false representations about the loan quality inside mortgage-backed securities; misled credit ratings agencies; overstated assets and earnings in financial disclosures; failed to disclose credit downgrades, subprime exposure, and the financial health of their operations to shareholders; and suffered breakdowns in internal company controls. All of these were tied to specific violations of federal law.

And the FCIC named names, specifying nine top-level executives who should be investigated on criminal charges: CEO Daniel Mudd and CFO Stephen Swad of Fannie Mae; CEO Martin Sullivan and CFO Stephen Bensinger of AIG; CEO Stan O'Neal and CFO Jeffrey Edwards of Merrill Lynch; and CEO Chuck Prince, CFO Gary Crittenden, and Board Chairman Robert Rubin of Citigroup.

None of the 14 financial firms listed in the referrals were criminally indicted or brought to trial, Warren writes. Only five of the 14 even paid fines in civil settlements. None of the nine named individuals were criminally prosecuted, and only one — Crittenden, of Citigroup — had to pay so much as a personal fine, for a mere $100,000.

Fannie Mae's Daniel Mudd recently reached a civil settlement with the Securities and Exchange Commission that imposed a fine of $100,000, but allowed Fannie Mae to pay it, rather than Mudd. It's not clear whether the others were even investigated. In March, Fortune magazine reported that Rubin "was never contacted by the Justice Department in relation to the commission's allegations."

"Not every individual or company accused of a crime is guilty of that crime and not every DOJ referral results in a conviction," Warren writes in her letter to the inspector general. "But the DOJ's failure to obtain any criminal convictions of any of the individuals or corporations named in the FCIC referrals suggests that the department has failed to hold the individuals and companies most responsible for the financial crisis and the Great Recession accountable. This failure requires an explanation."

Warren has at least one ally on the House side. Just last week, Rep. Bill Pascrell, D-N.J., asked the FBI to publicly release case files relating to crisis-era investigations.

She also has support from Phil Angelides, the chair of the Financial Crisis Inquiry Commission. "There's a gnawing feeling among the American people that this justice system may not have worked as it should have," Angelides said in an interview with The Intercept. "Sen. Warren is right on and Americans have a right to know."

Angelides said "I know as little as you know" about the criminal referrals he sent to the Justice Department. He stressed that it's not too late to prosecute on some activities, where the 10-year statute of limitations doesn't run out until 2017. But if nothing happens, he believes that financial institutions will internalize the message that they can continue to violate the law with impunity.

"It's like someone who robs a 7-11. If you can steal $1,000 and settle for $20 would you do it again? Probably."

Read Warren's letter to Horowitz, which includes information on the specific criminal referrals:

ELIZABETH WARREN
MASSACHUSETTS

COMMITTEES:
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ENERGY AND NATURAL RESOURCES
SPECIAL COMMITTEE ON AGING

United States Senate

UNITED STATES SENATE
WASHINGTON, DC 20510-2105
P: 202-224-4543

2400 JFK FEDERAL BUILDING
15 NEW SUDBURY STREET
BOSTON, MA 02203
P: 617-565-3170

1500 MAIN STREET
SUITE 406
SPRINGFIELD, MA 01103
P: 413-788-2690

www.warren.senate.gov

September 15, 2016

The Honorable Michael E. Horowitz
Department of Justice Inspector General
950 Pennsylvania Ave. NW, Suite 4706
Washington, DC 20530-0001

Dear Mr. Horowitz:

I am writing to request an Inspector General review of the Department of Justice (DOJ) response to referrals made by the Financial Crisis Inquiry Commission (FCIC) for potential violations of securities laws identified during the FCIC's investigation of the causes of the 2008 financial and economic crisis in the United States.

Thousands of FCIC documents were made public for the first time in March 2016. These documents reflect months of work by the FCIC, including hearings and testimony taken under oath, transcribed witness interviews, and thousands of documents collected voluntarily or under subpoena. A review of these documents conducted by my staff has identified 11 separate FCIC referrals of individuals or corporations to DOJ in cases where the FCIC found "serious indications of violation[s]" of federal securities or other laws.[1] Nine individuals were implicated in these referrals (two were implicated twice). The DOJ has not filed any criminal prosecutions against any of the nine individuals. Not one of the nine has gone to prison or been convicted of a criminal offense. Not a single one has even been indicted or brought to trial. Only one individual was fined, in the amount of $100,000, and that was to settle a civil case brought by the SEC. A second individual recently agreed to a civil settlement with the SEC in which he admitted no wrongdoing and paid no personal fine.[2]

Similarly, my staff found that FCIC referrals identified potentially illegal activity at 14 corporations (including five that were implicated in multiple referrals). Not one of the 14 - or any of the individuals responsible for potential wrongdoing at these corporations - was criminally indicted or brought to trial. Five of these 14 corporations settled with DOJ – paying fines, but

[1] Memo from FCIC Legal Staff to Commissioners of the FCIC, re: Confidential Referral Memorandum (Sep. 12, 2010) (https://www.dropbox.com/sh/ufck6e0dmytje66/AADoWsHGMFIsqHFaNiOC1kvla/BusMtgsAgnds_SCREENED/2010_09%20(September)/9-14-2010_Agenda_for_BusMtng%20(1)_1.docx?dl=0).

[2] Daniel Mudd, former Fannie Mae CEO, reached this settlement in August 2016, under which his former company paid a $100,000 fine, but Mr. Mudd expended no personal funds. Reuters, *Former Fannie Mae CEO Settles Crisis-Related Lawsuit with SEC* (Aug. 22, 2016) (http://www.reuters.com/article/us-sec-fanniemae-mudd-exclusive-idUSKCN10X1ZI).

[EMBARGOED-Warren-DOJ-IG-FCIC-Letter20 pages](#)

Read Warren's letter to Comey:

ELIZABETH WARREN
MASSACHUSETTS

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United States Senate

UNITED STATES SENATE
WASHINGTON, DC 20510-2105
P: 202-224-4543

2400 JFK FEDERAL BUILDING
15 NEW SUDBURY STREET
BOSTON, MA 02203
P: 617-565-3170

1500 MAIN STREET
SUITE 406
SPRINGFIELD, MA 01103
P: 413-788-2690

www.warren.senate.gov

September 15, 2016

The Honorable James Comey
Director
Federal Bureau of Investigation
935 Pennsylvania Ave. NW
Washington, DC 20535

Dear Director Comey:

Earlier today, I asked the Department of Justice (DOJ) Office of the Inspector General to examine the inability of the DOJ to successfully prosecute any of the individuals referred to the DOJ by the Financial Crisis Inquiry Commission (FCIC) in 2010. I write to bring this matter to your attention – and to request that you promptly facilitate the release of any and all materials related to the FBI's investigations and prosecutorial decisions regarding these referrals.

Established by Congress in the wake of the 2008 financial meltdown, the FCIC's statutory mandate included "refer[ring] to the Attorney General of the United States and any appropriate State attorney general any person that the Commission finds may have violated the laws of the United States in relation to such crisis."[1] The full archives of the FCIC proceedings have only recently been released.[2] My staff has reviewed these records and identified 11 separate FCIC referrals of individuals or corporations to DOJ in cases where the FCIC found "serious indications of violation[s]" of federal securities or other laws consistent with this statutory mandate.[3] Nine specific individuals were implicated in these referrals - yet not one of these nine has gone to prison or been prosecuted for a criminal offense. Similarly, my staff identified 14 corporations that were referred to DOJ by the FCIC for potential violations of securities or other laws. Not one of the 14 was not criminally prosecuted, nor was any of the individuals responsible for the actions described in the FCIC referrals. Only five of these 14 corporations paid any fine or suffered any additional consequences for their actions.[4]

The DOJ's inability to obtain meaningful convictions or settlements in the vast majority of these FCIC referrals – let alone in any other cases involving senior Wall Street executives – suggests that the Department failed to hold the individuals and companies most responsible for the financial crisis and the Great Recession accountable. Releasing additional information may help in the examination of this failure.

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[1] PL 111-21, §5(c)(4)

[2] National Archives, National Archives Opens Financial Crisis Inquiry Commission Records (March 11, 2016) (https://www.archives.gov/press/press-releases/2016/nr16-45.html).

[3] Letter from Senator Elizabeth Warren to The Honorable Michael E. Horowitz, Department of Justice Inspector General (September 15, 2016).

[4] Letter from Senator Elizabeth Warren to The Honorable Michael E. Horowitz, Department of Justice Inspector General (September 15, 2016).

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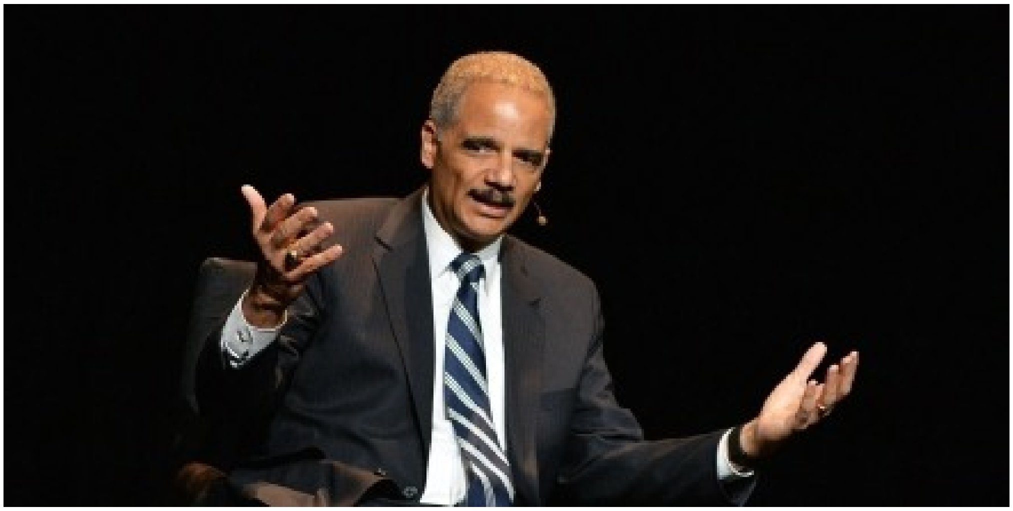

[Eric Holder's Longtime Excuse for Not Prosecuting Banks Just Crashed and Burned]

I Was Wrong: Big Banks Actually Were Exactly Like Counterfeiters

Contact the author:

David Dayen✉david.dayen@gmail.comt@ddayen

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