

Prologue: How Did It Come to This?

What can I tell you about the People's Republic of China (PRC)?

As one who did business for over twenty years with the government of the PRC and the Communist Party of China (CPC); spent countless days in the cities, hinterlands, offices, and homes of the only nation that comes close to competing with the United States; experienced personal and professional victories and defeats; briefed the Central Intelligence Agency (CIA) on what was happening on the ground there in the late 1990s and early 2000s; currently consults with the US government as well as multinational corporations; and celebrated relationships with my Chinese partners but dared to take them on when they crossed lines both moral and legal, the answer is: I can tell you a lot.

Let's begin in the fall of 2014, in a Chinese restaurant in Los Angeles where I'm having lunch in a private room with two CPC operatives. Over my many years in the energy business in the PRC, I stayed where they stayed, ate what they ate, and drank what they drank. I swallowed my fears and ate a plateful of fried cicadas in the deserts of the Xinjiang Uyghur Autonomous Region. I closed my eyes and partook of camel's feet (yes, really!) in the shadow of the Great Wall in Gansu province. And, when being toasted or asked to toast, I drank way too much moutai, a clear liquor with over 50 percent alcohol content that can bring an unsuspecting Westerner to his knees.

But as disquieting as those meals were, they pale in comparison to this lunch in my homeland. It's not the menu; the dim sum is delicious. No, what's making me ill is the conversation I'm having with Zhang Xuming and Ma Ming. Zhang, who calls himself "Sherman" when doing business in the States, is the president of the US subsidiary of the Aviation Industry Corporation of China (AVIC), the Chinese government's behemoth aerospace and defense conglomerate. Based in Los Angeles, Ma, aka "Paul," is that subsidiary's lawyer. The three of us are prepared for a serious discussion involving hundreds of millions of dollars.

Some background: My Dallas-based company, Tang Energy Group, had been doing business with AVIC since 1997, when we collaborated on a gas-fired power plant in Gansu. Four years later we became partners in HT Blade, a mainland China-based

manufacturer of wind turbine blades that we quickly grew to a value of \$1.8 billion. Wishing to expand sales to the United States and other parts of the world and to enter the burgeoning, lucrative business of wind farming, Tang and AVIC and others had in 2008 created a joint venture—Soaring Wind Energy, LLC.

Simply put, AVIC was supposed to invest \$600 million in this enterprise. This money was to be spent driving turbine blade production in the United States and developing wind farms internationally. Tang's role was to find wind farm opportunities, present them to AVIC for investment, and then oversee development of the newly purchased properties. Unfortunately, AVIC had not upheld its end of the bargain. Rather than fund Soaring Wind, it had created a rival company and funneled money into it. My gut was burning.

Having watched Communist Party minions in action over several years, I can't say I was shocked by such behavior. The modus operandi of the PRC is to steamroll the little guy— particularly if he's a foreigner—and say, in effect: Go ahead and sue me. Do you think your funds to pursue a lawsuit match ours to defend it? We've been around for millennia and can afford for this to play out for years. Can you? The mindset was to conquer, not cooperate for the common Dancing with the Dragon good—a counterproductive, if not puzzling, philosophy that stood in contrast to the capitalist vision I embraced: If we all work together, we'll all do well.

Despite clear evidence that AVIC was breaching our contract, I had remained hopeful we could resolve our differences. Why? With plenty of prospects for wind farms on the horizon, I thought there was still a chance Soaring Wind could take off. These were good deals.

Sadly, my optimism proved as worthless as the venture. Our efforts were met with a great wall of silence. In June of 2014, with my own financial well-being in jeopardy and an obligation to my investors, I reluctantly spearheaded a breach-of-contract lawsuit against AVIC and a number of its subsidiaries, including Sherman's domain, AVIC USA. Now, just a few months later, I've flown from my home in Dallas to Los Angeles to meet with him and Paul to see if we can resolve this matter without resorting to the costly arbitration proceeding required under our agreement.

Sherman is fiftyish. His English is good, as is his sense of humor. We have been dealing with each other for four or five years and enjoy each other's company. I consider him an honest, capable CPC functionary. If there is anyone with whom I might be able to put this dispute to rest, it's him.

I've only recently met Paul and am not sure what to expect—until he lowers his voice and says something like, *You know Patrick, AVIC has more than enough money to make this last a long time, longer than you have in your lifetime to enjoy the fruits of any victory you may win.* (I use italics here, rather than quoting verbatim, because the CPC may have a recording from that lunch, and I have no desire to engage in litigation with them ever again).

Looking me in the eye, speaking in a flat tone, he says he knows I come from a prominent family in Dallas. He then goes into detail about my wife and three daughters in a way that raises the hairs on my neck. I've been trying to build companies in China that create jobs by bringing life-improving electricity to people and trying to resolve a business dispute amicably, and now this representative of the government—who undoubtedly takes his marching orders from Beijing—is threatening my children and my livelihood.

I wish I could say I responded, "What do you mean by that, Paul? Are you really threatening me?" But I was stunned, reacted defensively, and refused to show that Paul's threat scared me. Later, I told my lawyers what had happened. They took it seriously but couldn't do anything about it, and focused on preparing the case.

I found a more receptive audience with the Federal Bureau of Investigation (FBI). Over the years, agents would periodically get in touch with me when someone seeking a security clearance was using me as a reference, or when the bureau thought I could offer insight into a case with PRC connections. By chance, I received such a call a few weeks after the lunch in Los Angeles. After taking care of business, the agent thanked me for my input and asked if there was anything he could do for me.

Hmm. "Well, let me tell you a story, and then you tell me what you think I should do." Within days, the FBI assigned an agent to me. "Assigned" may not be the terminology the bureau uses, but the point is I now had a guardian angel who I could call when necessary.

A few months later, an FBI agent let me know that “if there were to be an operation planned against you, it would likely be planned out of the Chinese consulate in Houston, and it would likely involve a drug cartel from Mexico.”

I just about fell out of my chair. “Well, thank you,” I stammered. “You know, there’s a lot of specificity in that. How worried should I be?”

“Oh, not too worried,” he said. “They’re busy with a lot of other people.”

The specificity in the hypothetical led me to hire a Washington, DC, firm founded by former CIA officers with expertise in such matters. Among other things, they told me I should carry a pistol. Carry a pistol as protection against a possible attack by a Mexican drug cartel engaged by the PRC?

How did it come to this for a middle-class kid from Dallas who went straight from college to work in a local bank, accidentally fell into the energy business, and then into partnering—and now sparring—with a world superpower?

Grab a plate of fried cicadas or, if you prefer, Texas barbeque, and I’ll tell you. In the pages that follow, I’ll share the story of my improbable journey in an unconventional fashion— as a conversation between me and Steve Fiffer, a lawyer-turned-writer who has collaborated on memoirs with former Secretary of State James A. Baker III, Southern Poverty Law Center founder Morris Dees, civil rights icon C. T. Vivian, and my fellow Dallasites Kenneth Hersh and former US Ambassador Robert W. Jordan. To prepare for hours of talks with me, he read books about the history of China, scoured thousands of pages of court proceedings, and, he tells me, even ordered entrees from the Xinjiang region from his favorite Chinese restaurant.

Our conversation deliberately leaves out many names, changes others, and begins with the Jeneveins of Versailles.