Written by Luis Miguel on January 22, 2021



## Documents Reveal New Details About California's \$1 Billion Mask Purchase From Chinese Firm

Democrat Governor Gavin Newsom of California previously withheld details from the public and lawmakers about a \$990million contract with a China-based firm for N95 masks that raised eyebrows in Congress.

But following the public dissemination of 848 pages of documents obtained by government watchdog group Judicial Watch, Americans are gaining new insight into how the California Governor's Office of Emergency Services chose BYD to make 300 million face masks for protection against COVID-19, a virus that began in China.



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Earlier this year, members of the California legislature tried to get Newsom to give more details about the deal, which one senior Democrat lawmaker <u>called</u> "murky."

The newly released documents, most of them e-mails, show that lobbyists played an important role in arranging the deal, which saw California deviating from normal procedures in awarding the contract.

"It would surprise Americans to see how a major Chinese company can so easily access government officials," Judicial Watch President Tom Fitton said to Fox News. "I would think the California legislature would be interested in how this happened."

In July, Newsom signed a second deal with BYD, this time for 400 million masks at a price of \$316 million.

Short for "Build Your Dreams," BYD was founded in 1995 and is listed on the Hong Kong and Shenzhen stock exchanges. Its primary business is the manufacture of electric cars that are widely sold throughout the United States. Warren Buffett's Berkshire Hathaway purchased a near quarter stake in the Chinese firm in 2008. The company boasts 30 industrial plants around the world, including one in Los Angeles. The masks in question were made in China.

In 2020, BYD secured government contracts to supply electric-powered vehicles to the states of Florida, Maryland, Missouri, and New Jersey. Also last year, the company filed defamation lawsuits against Vice Media for an unfavorable story published in April, along with a separate lawsuit against the Alliance for American Manufacturing.

The 2019 National Defense Authorization Act included a provision to prohibit the use of federal funds for purchasing public transportation vehicles from firms affiliated with China. This affects BYD, but would not apply to masks. The provision takes effect at the end of 2021.

BYD is a privately owned and publicly traded firm that is neither state-owned nor affiliated with the Chinese Communist Party (CCP), said company spokesman Frank Girardot, who also insisted that 2019 NDAA restriction is the result of a lobbying effort by competitors.



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"It's an effort by our competitors to keep us out of the market," Girardot said. "Quite frankly, they don't make the same quality of product that we do."

Fox News noted:

The masks for California were made in China because there was already a BYD plant there making masks and "there was no time to act" to build a new factory in the U.S., Girardot said. The industrial park in Shenzhen, China, is the "world's largest mass-produced face mask plant," according to the BYD press release in March.

In March 2020, the Senate Banking, Housing and Urban Affairs Committee held a hearing on China-sponsored companies, including BYD. That same month, records show, California lobbyist Mark Weideman contacted Newsom's chief of staff, Ann O'Leary, on March 21, 2020, providing a copy of a Business Insider article about BYD titled, "A Chinese Electric Car Maker Backed by Warren Buffett Re-Tooled to Make Face Masks When Covid-19 Hit — Now It Says It's the World's Largest Mask Factory."

Weideman said BYD would donate 50,000 masks to California, along with hand sanitizer, and asked if someone could "notify GGN" (possibly referring to Gov. Gavin Newsom) to "hopefully execute on BYD's offer to help California, a place they and their unionized workforce call home for their North American operations." Abby Browning of the Office of Emergency Services responded to Weideman.

BYD had to refund \$247 million of California's \$495 million down payment in an amendment to the agreement because the company was unable to meet the deadline of getting approval from the National Institute for Occupational Safety and Health (NIOSH) to make the N95 masks. California extended the deadline from April 30 to May 31, 2020.

And another provision in the contract showed what appeared to be an exemption from liability if there was a problem with the masks, with language that read, "in no event shall Seller be liable for any consequential, special, incidental, indirect or punitive damages" and that BYD "makes no warranties or representations."

If only the Democrats' bond to the American people was as strong as their bond to China.



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