

DISHONEST DAINES – CHINA EDITION

DAINES CLAIMED HE WAS TOUGH ON CHINA...

DAINES RAN TELEVISION ADS CLAIMING HE WAS HOLDING CHINA ACCOUNTABLE



[YouTube, Lachlan Markay, [5/4/20](#)] [00:00:13] (VIDEO)



[YouTube, Steve Daines for Montana, [5/21/20](#)] [00:00:15] (VIDEO)

...BUT DAINES SPENT DAINES SPENT SIX YEARS LIVING IN CHINA WHERE HE HELPED PROCTER AND GAMBLE SET UP FACTORIES...

DAINES SPENT SIX YEARS LIVING IN CHINA WORKING FOR PROCTER AND GAMBLE

Daines Worked Six Years in Hong Kong and Mainland China “Helping Start Factories There And In Production, Marketing and Sales.” Past employment: Worked in management for Procter & Gamble, 1984-97. Worked for seven years in Iowa City, Iowa, and six years in Hong Kong and mainland China helping to start factories there and in production, marketing and sales. Moved back to Bozeman in 1997. [Missoulain, [2/27/08](#)]

- **Daines Worked For Procter & Gamble “Which Sent Him to China to Help Run a Manufacturing Plant.”** “After earning a degree in chemical engineering from Montana State University, Daines worked for the consumer goods giant Procter & Gamble, which sent him to China to help run a manufacturing plant. Daines rose within the company’s ranks and said he was offered a promotion at its headquarters in Cincinnati, but passed up the opportunity to move back to his hometown of Bozeman.” [AP, [10/20/12](#)]
- **GiveltBack.Com Bio: Daines Spent Six Years in Hong Kong and Mainland China “Leading the Business Expansion in China” For Procter & Gamble.** According to Daines’ biography on his website GiveltBack.com, “Immediately following graduation from MSU, Steve left Montana to work for Procter & Gamble. During his management career at P&G, he spent seven years managing operations in the United States, followed by a six year assignment in Hong Kong and mainland China leading the business expansion in China. After 13 great years with P&G, Steve and Cindy decided it was time to come back home to Montana. Steve worked along side his dad in the family construction business in Bozeman for the next three years.” [Wayback Machine, GiveltBack.com, [About Us](#)]
- **Daines Said His Children Were Born At The Matilda Hospital In Hong Kong.** DAINES: “...in fact, we — we used to travel back and forth to Hong Kong quite frequently. It was where two of my children were born pre handover while you were governor, in fact, there at the Matilda Hospital there on top of Victoria Peak.” [Congressional-Executive Commission On China, Hearing, 01:01:13, [5/3/17](#)] (VIDEO)
- **Daines: I “Transferred With P&G to China (Guangzhou) To Manage Operations There For 6 Years.”** On a Bozeman High School classmates website, Daines submitted a message about his life and career. Daines wrote: “Graduated from Moo U with a Chemical Engineering Degree in ’84 and went to work for Procter & Gamble managing manufacturing operations. Married the sweetest girl I’ve ever met in 1986. If you ever meet her, you will agree too! Worked in the States for 7 years, then transferred with P&G to China (Guangzhou) to manage operations there for 6 years. Our youngest tow kids were born in Hong Kong while we worked in Asia.” [Hawks Archive, 1980 Forum, [Steve Daines](#)]

DAINES CALLED HIS WORK IN CHINA AN “INCREDIBLE OPPORTUNITY”

Daines Called His Offer To Work In China An “Incredible Opportunity,” Noting That China Was A Different Place Back Then. DAINES: “A few years after that, my sweet wife, Cindy and I, we had an assignment in the United States and we were asked, I got a call one day that said, ‘Steve would you consider going overseas?’ And I’d expressed interest in my career development form that you do once a year that, when you consider an international assignment, but I didn’t know they’d think about sending me to China and we were just early stage there in China, just getting things going there. [...] And we saw this incredible opportunity in front of us. And of course the China, and I know there’s a lot of seasoned China experts here, but it was a very different place back in those days. We saw the tremendous opportunity and you really have a, it’s very binary, the choice. Either we go, but the alternative is to not to go. And I guess we’re adventurers and entrepreneurs at heart and we enthusiastically said, yes, let’s go, let’s go do this.” [Steve Daines, China Business Council, [12/6/17](#)] (AUDIO) 00:06:34

DAINES SAID HE SAW “AMAZING THINGS” IN CHINA AND TOUTED HIS WORK RECRUITING CHINESE UNIVERSITY STUDENTS

Daines Said He Saw “Amazing, Amazing” Things In China In The 90s, Touting That Procter And Gamble Was The First Company To Recruit On Chinese University Campuses.” DAINES: “And what was supposed to be a two year assignment turned into four years and then turned into nearly six years. And we saw some amazing, amazing things happen while we were there in China back in the 90s. In fact, we were the first company, Procter and Gamble was the first company that began recruiting on the campuses of China. I remember I was sent up to Beijing University. It was February of 1992.” [Steve Daines, China Business Council, [12/6/17](#)] (AUDIO) 00:07:45

- **Daines Said As A Procter And Gamble Employee, He Walked On To Chinese University Campuses “As A Rock Star” Because It Was The Greatest Dream Of Chinese Students To Work For An American Company.**

DAINES: "It was one of those experiences that I'll never forget because when you were an American company then, you were, it was the greatest dream of so many of those Chinese students was to come work for an American company. Their greatest dream was of course was to go over, go over to America to study or to work, which the opportunities were limited to, to work. But the next big dream they have, they couldn't do that, which to come work for an American company. So when we'd go on the campuses, whether it was at Beijing University, Tsinghua University, recruited Tianjin and Hungzhou and Wuhan and Guangzhou, around the country, literally you'd walk on the campus as a rock star, as somebody who represented an American company." [Steve Daines, China Business Council, [12/6/17](#)] (AUDIO) 00:08:35

- **Daines Said That Chinese Students Scored Higher On Procter And Gamble Tests Similar To IQ Tests But Localized.** "DAINES: When we used to recruit in China, we found that the Chinese scored the very highest of any, any group in the world. So we had kind of an IQ test. We would apply to same test we gave at Harvard or Yale or Purdue or wherever we gave the test around the United States and around the world. The Chinese scored the very highest. This is back in the 90s and anybody else in the world, all we did, we took that same standardized test and we localized it." [Steve Daines, China Business Council, [12/6/17](#)] (AUDIO) 00:11:06

DAINES HELPED PROCTER AND GAMBLE SET UP FACTORIES IN CHINA

DAINES HELPED "START FACTORIES" IN CHINA

Daines Worked Six Years in Hong Kong and Mainland China "Helping Start Factories There And In Production, Marketing and Sales." Past employment: Worked in management for Procter & Gamble, 1984-97. Worked for seven years in Iowa City, Iowa, and six years in Hong Kong and mainland China helping to start factories there and in production, marketing and sales. Moved back to Bozeman in 1997. [Missoulian, [2/27/08](#)]

New York Times: "Daines Lived In China, Where He Helped Set Up And Supervise Factories For Procter & Gamble." "For years, Senator Debbie Stabenow, Democrat of Michigan, has been pushing legislation that would deny a tax deduction for the costs that American businesses face in moving operations overseas. But when the bill is taken up by the Senate this month, she will share top billing with Mr. Walsh, an appointed senator considered the underdog in his race against Representative Steve Daines, a Republican. Mr. Daines lived in China, where he helped set up and supervise factories for Procter & Gamble, an issue that Democrats have tried hard to use against him." [New York Times, [7/12/14](#)]

Daines Worked For Procter & Gamble "Which Sent Him to China to Help Run a Manufacturing Plant." As reported by the AP, "After earning a degree in chemical engineering from Montana State University, Daines worked for the consumer goods giant Procter & Gamble, which sent him to China to help run a manufacturing plant. Daines rose within the company's ranks and said he was offered a promotion at its headquarters in Cincinnati, but passed up the opportunity to move back to his hometown of Bozeman." [AP, [10/20/12](#)]

1994 AND 1996: WHILE DAINES WAS IN CHINA, PROCTER AND GAMBLE ANNOUNCED NEW FACTORIES IN CHINA

1994: Procter & Gamble Created A Joint Venture With Lonkey Industrial Co. To Acquire Their Laundry Detergent Plants In Guangzhou, China. According to Chemical Week, "Procter & Gamble (Cincinnati) has signed a joint venture agreement with China's Guangzhou Lonkey Industrial Co. and Hong Kong-based Hutchison Whampoa to take over the laundry detergent plants of Guangzhou Lonkey. The joint venture will be called Procter & Gamble Lonkey Detergent (Guangzhou)." [Chemical Week, LexisNexis, 3/2/94]

1996: P&G Made Major Investments "In A Number of New Manufacturing Plants Including New Facilities in China." According to a 1996 SEC filing from P&G, "At the same time, we made major investments in new product initiatives, such as the upcoming Pampers Baby-Dry launch — which you can read about on page 12 — and in a number of new manufacturing plants including important new facilities in China, Brazil and Thailand. [Form 10-K, Procter and Gamble, SEC, filed [9/11/96](#)]

At the same time, we made major investments in new product initiatives, such as the upcoming Pampers Baby-Dry launch -- which you can read about on page 12 -- and in a number of new manufacturing plants, including important new facilities in China, Brazil and Thailand.

[Form 10-K, Procter and Gamble, SEC, filed [9/11/96](#)]

HEADLINE: “P&G Signs Up To Market More Products In China.” [Cincinnati Enquirer, [11/24/93](#)]

1993: Cincinnati Enquirer: Procter & Gamble “Expand[ed] Even Farther Into China” By Signing Three Joint Ventures To Market Laundry Detergent And Soap. “Procter & Gamble Co. is expanding even farther into China by signing three joint ventures to market laundry detergent and soap. The agreements, announced Tuesday, enable the consumer products giant to tap deeper into the Chinese market, where the company employs about 1,100...China is one of P&G’s fastest growing markets and should likely retain that status because of sheer volume of consumers, Loftus said. China’s population exceeds 1 billion people. In the deals announced Tuesday, P&G is creating joint ventures with Hong Kong-based Hutchison Whampoa Ltd., a diversified business P&G first teamed with in 1988 for its initial foray into the Chinese market.” [Cincinnati Enquirer, [11/24/93](#)]

- **Cincinnati Enquirer: One Procter & Gamble Joint Venture Gave The Company “Management Responsibility For Soap Production,” Replacing A Contract Agreement With A Factory In Tianjin.** “Two of the ventures involve laundry detergents already established in China. Panda detergent is manufactured in a Beijing factory, while Double Cat and Lanxiang detergents are produced in Chengdu. Under the agreement, P&G will have controlling interest in the brands and assume management responsibility for the ventures. The third joint venture replaces a contract agreement with a Tianjin factory in Northern China. The factory had been producing Safeguard bar soap for P&G for 18 months. This venture gives P&G management responsibility for soap production.” [Cincinnati Enquirer, [11/24/93](#)]

1995: Wall Street Journal: “P&G’s Expensive China Operation, Which Is Growing By The Day...Includ[ed] A \$60 Million Guangzhou Production Center And Satellites In Beijing, Tianjin, And Chengdu.” “Shampoo revenues underwrite P&G’s expensive China operation, which is growing by the day. At last count, managers said, it has 4,500 workers in eight joint ventures, including a \$60 million Guangzhou production center and satellites in Beijing, Tianjin, and Chengdu.” [Wall Street Journal, [9/24/95](#)]

1996: Procter and Gamble Had Chinese Production Bases in Beijing, Guangzhou, Chengdu, and Tianjin. As reported by the Xinhua News Agency, “Procter and Gamble also has production bases in Beijing, Guangzhou, capital of south Guangzhou province, and Chengdu, capital of southwest Sichuan province after entering China’s market eight years ago. Its products, soap, detergent, shampoo, and household cleaning products, have occupy a large market share in china’s major cities.” [Xinhua News Agency, LexisNexis, 6/20/96]

- **Procter & Gamble Set Up Largest Chinese Production Base in Tianjin.** As reported by Xinhua News Agency, “Tianjin has made a clean sweep in attracting world industrial giants to the north China port city. US soaps to household products maker, Procter and Gamble company, the world renowned consumer goods manufacturer, has set up its largest Chinese production base in Tianjin. The city has attracted many multi-national firms to invest locally.” [Xinhua News Agency, 6/20/96]

FORMER US COMMERCE SECRETARY RON BROWN TOURED AND PRAISED THE P&G PLANT IN GUANGZHOU

P&G’s Manufacturing Plant In Guangzhou Was Praised By Former US Commerce Secretary, Ron Brown.

According to P&G’s 10-Q SEC Filing, “Recently, when U.S. Secretary of Commerce Ron Brown visited our manufacturing plant in Guangzhou, he commented that this P&G plant could “literally be picked up and placed anywhere in the world.” He went on to say that “the quality of the products that are manufactured by P&G in Guangzhou, even though this plant is very much in a start-up mode, matches the quality of the products manufactured in any other Procter & Gamble facility in the world.” He concluded by saying that P&G’s China operation is a model for other American companies doing business abroad—which is a real tribute to our Company and our people in China.” [Procter & Gamble, SEC 10-Q Filing, [11/10/94](#)]



[U.S. National Archives and Records Administration, U.S. Secretary of Commerce Ron Brown visit to P&G, 1994]



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...AT THE SAME TIME THAT THEY WERE LAYING OFF 4,000 AMERICAN WORKERS

JULY OF 1993: PROCTER AND GAMBLE ANNOUNCED A RESTRUCTURING PLAN THAT ELIMINATED 4,000 US JOBS

Procter & Gamble Announced It Was Cutting 4,000 American Jobs. “Consumer products giant Procter & Gamble Co., responding to private-label competitors of its brand-name products, announced Thursday that it will close 30 plants and eliminate 13,000 jobs worldwide over the next three years. [...] Half of the job cuts will come from the plant closings and others will come from early retirements, buyouts and attrition of administrative workers. Of the administrative jobs, P&G said 60%, or 4,000, will be in the United States, including about 2,000 in the Cincinnati area.” [Los Angeles Times, [7/16/93](#)]

- **Procter & Gamble Claimed It Would Eliminate 13,000 Jobs Worldwide.** “Consumer products giant Procter & Gamble Co., responding to private-label competitors of its brand-name products, announced Thursday that it will close 30 plants and eliminate 13,000 jobs worldwide over the next three years.” [Los Angeles Times, [7/16/93](#)]

P&G’s Restructuring Plan Eliminated 4,000 Jobs In The US. “The company said it will cut 4,000 jobs in the United States, including 2,000 in Cincinnati alone, where P&G employs 14,500. P&G has operations in 54 countries with a total of 106,000 workers worldwide in the United States, Britain, Russia, Hungary, France and other European countries, as well as Japan and China. Its U.S. work force totals 47,500.” [Miami Herald, LexisNexis, 7/20/93]

The Cuts Were Part Of A “\$1.5 Billion Restructuring Plan Aimed At Deeply Cutting Costs.” According to the Miami Herald, “Procter & Gamble Co. said last week it will close about 30 factories and eliminate 13,000 jobs in a \$1.5 billion restructuring aimed at deeply cutting costs at the consumer-products giant. P&G Chairman Edwin Artzt said the restructuring should not be considered a sign that the company is in trouble.” [Miami Herald, LexisNexis, 7/20/93]

The company said it will cut 4,000 jobs in the United States, including 2,000 in its home city of Cincinnati where P&G is the largest private employer. The remainder of the cuts will be made overseas.

1993: PROCTER AND GAMBLE ANNOUNCED IT WAS CUTTING “13,000 JOBS” AND “12%” OF ITS WORK FORCE WORLDWIDE

Procter & Gamble Announced That It Was Cutting “13,000 Jobs, 12% Of Its Work Force And Shutting Down 30 Plants.” According to American Banker, “If anyone doubts that retailers are having trouble making prices stick, they only have to ponder the announcement by Procter & Gamble that it is slashing 13,000 jobs, 12% of its work force, and shutting down 30 plants.” [American Banker, LexisNexis, 8/2/93]

- **Procter & Gamble’s Decision To “Eliminate 13,000 Jobs And Close 30 Of Its 147 Manufacturing Plants” Was Part Of Its “Strengthening Global Effectiveness” Restructuring Plan.** According to Newsweek, “And last week, CEO Edwin Artzt struck with a force that left the venerable packaged-goods company shaking on its foundation. Artzt announced that the 156-year-old manufacturer of everything from detergents to disposable diapers would eliminate 13,000 jobs and close 30 of its 147 manufacturing plants over the next three years. When news of the retrenchment spread to the rank and file, a local Procter-watcher coined a new acronym for Artzt’s restructuring plan, euphemistically titled Strengthening Global Effectiveness, or SGE.” [Newsweek, [7/25/93](#)]

NEWSPAPERS CALLED DAINES “CHINA[‘S] CHEERLEADER” BECAUSE HE HAS DONE “ITS POLITICAL BIDDING” IN WASHINGTON

DAILY BEAST CALLED DAINES A “CHINA CHEERLEADER”

HEADLINE: “GOP Senator Abruptly Goes From China Cheerleader To Anti-Beijing Hawk” [Daily Beast, [5/5/20](#)]

GOP Senator Abruptly Goes from China Cheerleader to Anti-Beijing Hawk

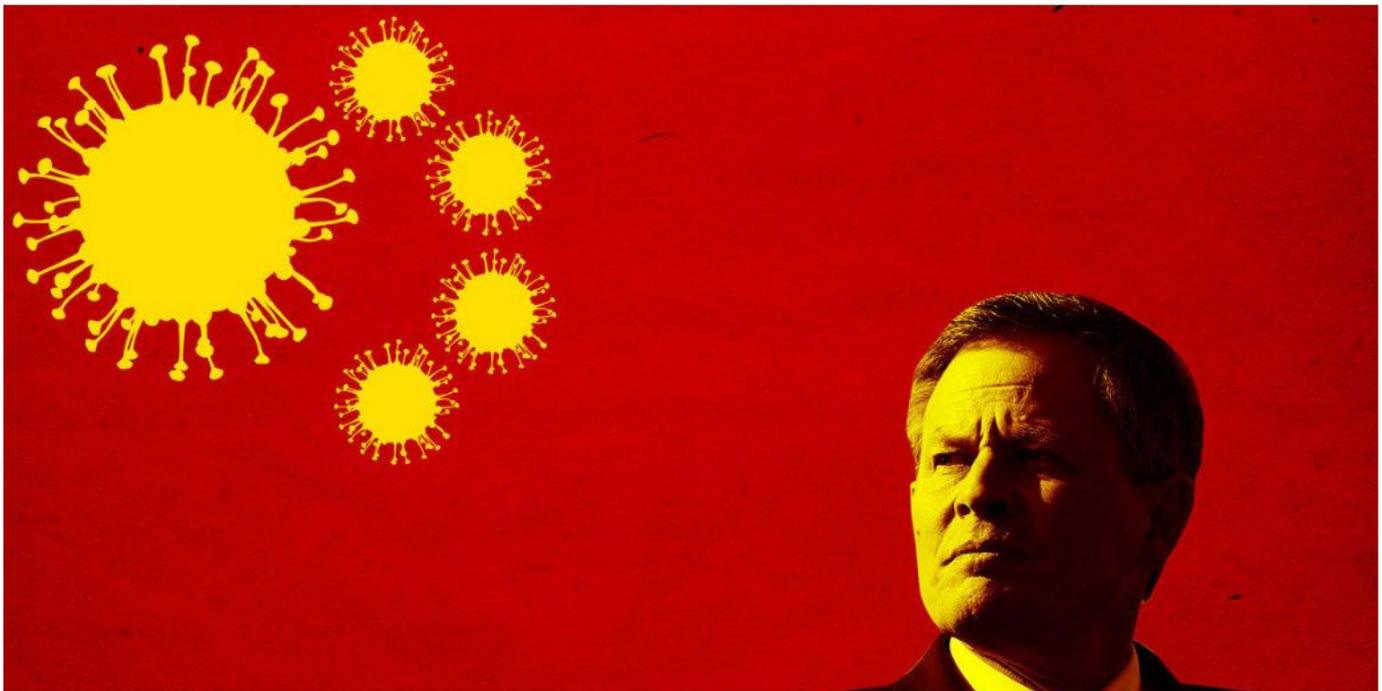
RED SCARE FLARE |

The shift comes right as the Republican Party is encouraging candidates to turn the COVID conversation away from Trump and on to China.



Lachlan Markay
Reporter

Updated May. 05, 2020 8:32AM ET / Published May. 05, 2020 4:49AM ET



[Daily Beast, [5/5/20](#)]

WASHINGTON POST COLUMNIST SAID CHINA GOT DAINES TO DO “ITS POLITICAL BIDDING”...

Headline: Washington Post: Column: How China Got A U.S. Senator To Do Its Political Bidding. [Washington Post, Josh Rogin, [12/17/17](#)]



[Washington Post, Josh Rogin, [12/17/17](#)]

...BY HELPING THE CHINESE COMMUNIST PARTY SQUASH CRITICISM OF ITS HUMAN RIGHT ABUSES

Former U.S. Ambassador To Burma: Daines Constituted A Victory For Chinese Foreign Influence Operations By Helping The Chinese Communist Party Squash Political Criticism In Washington. “Yet for the Chinese government, economics and politics are always linked. By helping the Communist Party squash political criticism in Washington, Daines’s actions constituted a victory for Chinese foreign influence operations, said Derek Mitchell, former U.S. ambassador to Burma. ‘It confirms everything the Chinese believe about us and folks around the world, that anyone can be bought,’ he said. ‘We’re only as strong as our weakest link, and that Daines would do this only encourages them to continue.’” [Washington Post, Josh Rogin, [12/17/17](#)]

- **Former U.S. Ambassador To Burma: That Daines Would Oppose Efforts To Pressure China On Human Rights “Only Encourages Them To Continue” Their Violations.** “Daines has done other favors for the Chinese government. Early this summer, he discussed with other senators his opposition to a bill that would rename the street in front of the Chinese Embassy in Washington after Liu Xiaobo, the Nobel Peace Prize laureate who later died in Chinese government custody, his office confirmed. [...] Daines’s approach to Chinese human rights is ‘not connected’ to his push for beef exports, Kinzel said. Yet for the Chinese government, economics and politics are always linked. By helping the Communist Party squash political criticism in Washington, Daines’s actions constituted a victory for Chinese foreign influence operations, said Derek Mitchell, former U.S. ambassador to Burma. ‘It confirms everything the Chinese believe about us and folks around the world, that anyone can be bought,’ he said. ‘We’re only as strong as our weakest link, and that Daines would do this only encourages them to continue.’” [Washington Post, Josh Rogin, [12/17/17](#)]
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THE CHINESE GOVERNMENT EVEN CALLED DAINES, QUOTE, "CHINA'S AMBASSADOR IN CONGRESS"

CHINA'S AMBASSADOR TO THE U.S. CALLED DAINES CHINA'S AMBASSADOR IN CONGRESS

China's Ambassador To The U.S. Called Daines China's Ambassador In Congress. "About two months after China lifted its 14 year ban on American beef imports, U.S. Sen. Steve Daines hosted Cui TianKai, China ambassador to the U.S., on Friday at the Morgan Ranch House to discuss future opportunities for economic growth and trade for Montana farmers and ranchers. [...] TianKi hailed Daines, and called him China's ambassador in Congress. Daines said the friendship with China is greatly appreciated." [Bozeman Daily Chronicle, [9/9/17](#)]



[Bozeman Daily Chronicle, [9/9/17](#)]



[Yellowstone Public Radio, [9/8/17](#)]



[China Daily, [9/13/17](#)]

DAINES' FORMER POLITICAL CONSULTANT IS UNDER INVESTIGATION AFTER PARTNERING WITH A CHINESE FIRM AND USING POLITICAL INFLUENCE TO SELL PROTECTIVE MASKS TO STATES IN NEED...

MIKE GULA WAS DAINES FORMER CONSULTANT

Republican Fundraiser Mike Gula Who Was Being Paid By Steve Daines Campaign' To Set Up Fundraising Events Was Leaving Fundraising To Sell Coronavirus Protective Equipment. "A MAJOR REPUBLICAN FUNDRAISER says he is leaving politics to sell coronavirus protective equipment, putting his high-profile political customers in an awkward spot. Mike Gula, a top fundraiser for several Republican senators and other groups, told clients last week of his plans to leave politics to start a new company. The new business, Blue Flame Medical, advertises "hard-to-find medical supplies," including coronavirus test kits and respirators. [...] Sen. Steve Daines of Montana, who faces a competitive re-election race against Gov. Steve Bullock, was paying Gula to set up several fundraising events." [Wall Street Journal, [4/3/20](#)]

Daines' Campaign Canceled Two Fundraisers In Washington, D.C. And Donor Retreats In Napa, CA And Helena, MT After A Fundraiser He Was Paying Left The Field To Sell Coronavirus Protective Equipment. "A MAJOR REPUBLICAN FUNDRAISER says he is leaving politics to sell coronavirus protective equipment, putting his high-profile political customers in an awkward spot. Mike Gula, a top fundraiser for several Republican senators and other groups, told clients last week of his plans to leave politics to start a new company. [...] Gula had several commitments in political fundraising that are now up in the air. Sen. Steve Daines of Montana, who faces a competitive re-election race against Gov. Steve Bullock, was paying Gula to set up several fundraising events. Those included two canceled fundraisers in Washington this week and donor retreats in Napa, Calif., and Helena, Mont., scheduled for June and August, respectively, according to emails reviewed by the Journal. Daines' campaign didn't respond to requests for comment." [Wall Street Journal, [4/3/20](#)]

2018 – Present: Daines Paid Gula Nearly \$500,000. Over the course of his career, Daines and his leadership PAC paid Gula Graham \$487,763 in commission, consulting fees, and reimbursements. [FEC, accessed [5/13/20](#)]

GULA WAS UNDER INVESTIGATION

Blue Flame Medical, A Company Run By Former GOP Operatives Who Had Raised Money For Daines, Was Being Investigating For Failing To Deliver On At Least Two Contracts To Deliver Medical Supplies. "The Justice Department has opened a criminal investigation into Blue Flame Medical, a firm created by two well-connected Republican operatives who started selling medical supplies this spring as the novel coronavirus spread across the country. Prosecutors are focused on at least two contracts that the firm signed for medical masks and other equipment with Maryland and California, according to two people familiar with the matter who spoke on the condition of anonymity because of its sensitive nature. Both states ultimately canceled those contracts. [...] Blue Flame was started in late March by Michael Gula, a Republican fundraising and lobbying consultant in Washington, and John Thomas, a California political consultant. Before entering the medical supply business, Gula was known in GOP circles for his political fundraising skills. His firm has raised campaign money for Sens. Patrick J. Toomey (Pa.), Steve Daines (Mont.), Ron Johnson (Wis.) and dozens of other influential Republicans." [Washington Post, [5/6/20](#)]

- **Headline: Washington Post: "Justice Department Investigates Blue Flame Medical After Claims That It**

Failed To Provide Masks To Maryland. [Washington Post, [5/6/20](#)]

Blue Flame Medical Was Being Investigated By Congress. “A congressional oversight committee said it would conduct a probe of a coronavirus-supply company founded by a former prominent Republican fundraiser. The House Energy and Commerce Committee said it has launched an investigation into Blue Flame Medical LLC after several states canceled contracts with the company. ‘We are deeply concerned by the numerous reports regarding Blue Flame Medical LLC’s failure to deliver on contracts with state and local governments to provide critical medical supplies,’ the chairman of the committee, Rep. Frank Pallone (D., N.J.) said in a press release announcing the probe.” [Wall Street Journal, [5/12/20](#)]

- **Headline: Wall Street Journal: “Congress To Investigate Protective-Gear Supplier Blue Flame.”** [Wall Street Journal, [5/12/20](#)]

GULA PARTNERED WITH A CHINESE FIRM AND USED RELATIONSHIPS TO SELL PROTECTIVE MASKS TO U.S. STATES

BLUE FLAME SAID IT HAD PARTNERED WITH A CHINESE COMPANY CALLED GREAT HEALTH COMPANION

New York Times: “In A Pitch Deck For Potential Customers Obtained By The Times, Blue Flame Said It Had Partnered With A Chinese Company Called Great Health Companion To Procure Protective Equipment Directly From Chinese Manufacturers.” “In a pitch deck for potential customers obtained by The Times, Blue Flame said it had partnered with a Chinese company called Great Health Companion to procure protective equipment directly from Chinese manufacturers in a way that complied with all Chinese laws and export rules.” [New York Times, [5/6/20](#)]

- **New York Times: “Great Health Is A Subsidiary Of A Chinese State-Owned Firm Called Hakim Unique Internet Company.”** “Great Health is a subsidiary of a Chinese state-owned firm called Hakim Unique Internet Company, which includes nearly 200 companies around the world, according to the deck. The deck included a letter from Henry Huang, who is listed as Hakim’s ‘C.E.O. of health care’ and the founder and chairman of Great Health Companion Group.” [New York Times, [5/6/20](#)]
- **Blue Flame Medical Was Partnering With A Chinese Government-Owned Company.** “The company, Blue Flame Medical, had boasted that it could quickly obtain coveted test kits, N95 masks and other personal protective equipment through a Chinese government-owned company with which it had partnered, according to documents obtained by The New York Times.” [New York Times, [5/6/20](#)]
- **New York Times: The Company Was Endorsed By A “Well-Connected Chinese Businessman.”** “The company’s pitch — which was accompanied by an endorsement from a well-connected Chinese businessman who is an associate of Mr. Thomas’s — struck a chord with government agencies scrambling to obtain lifesaving supplies as the severity of the pandemic was becoming apparent.” [New York Times, [5/6/20](#)]

BLUE FLAME MEDICAL SOLD PROTECTIVE MASKS TO STATES

Politico: Daines Consultant Started A Firm To “Capitalize On The Coronavirus Response” Selling Medical Equipment That Was In Short Supply. “A longtime Republican fundraiser sent an email to his clients on Thursday abruptly announcing that he would no longer be working for them. The reason: He saw an opportunity to capitalize on the coronavirus response. ‘Over the last 14 days I have built another business outside politics and will be focusing my full attention there,’ he wrote in the email, which was obtained by POLITICO. The fundraiser, Mike Gula, didn’t specify his new line of work in the email. But in an interview, he said he’d started a new company selling medical equipment that’s been in short supply during the coronavirus pandemic. [...] Gula is a veteran fundraiser who’s raised money for more than two dozen lawmakers in this cycle alone, including Sens. Steve Daines of Montana, Tim Scott of South Carolina, Pat Toomey of Pennsylvania, Ron Johnson of Wisconsin, Martha McSally of Arizona and Kevin Cramer of North Dakota.” [Politico, [3/27/20](#)]

- **Blue Flame Medical Sold Coronavirus PPE, Including Masks, Testing Kits, And Other “Hard To Find Medical Supplies.”** “The company, Blue Flame Medical LLC, was formed Monday in Delaware, according to state records. Its website says it sells coronavirus testing kits, N95 respirator masks, ‘a wide selection’ of personal protective equipment and other ‘hard to find medical supplies to beat the outbreak.’” [Politico, [3/27/20](#)]

- **Blue Flame Medical Declined To Reveal How Much Money The Pair Had Made But Said They Were Not Price Gouging.** “He also declined to reveal how much money the pair had made but said they were not price gouging. ‘We are incredibly sensitive to gouging,’ he said. The new company may draw scrutiny as the Trump administration has moved to crack down on the hoarding of critical medical supplies and the sale of supplies at above fair market value. President Donald Trump issued an executive order on Monday designed to combat price gouging and Attorney General William Barr told reporters this week that the Justice Department has set up a task force to stop people from ‘manipulating the market and ultimately deriving windfall profits.’” [Politico, [3/27/20](#)]
- **Headline: Politico: “Republican Fundraiser Looks To Cash In On Coronavirus.”** [Politico, [3/27/20](#)]

Blue Flame Medical Sold Medical Supplies To Georgia And Other States. “In an interview, Thomas said Blue Flame had already sold medical supplies to authorities in Georgia and other states. Police departments are ‘almost begging for supplies,’ he said.” [Politico, [3/27/20](#)]

Blue Flame Sold Masks To California, But The State Cancelled The Contract. “Days after the company was started, Blue Flame signed a \$600 million contract with California officials to supply masks. When California tried to send the company a down payment for roughly \$450 million, the state’s bank flagged the wire transfer as suspicious because Blue Flame bank’s account had been opened days earlier. A few hours later, the state canceled the contract.” [Wall Street Journal, [5/12/20](#)]

THE COMPANY USED REALTIONSHPIS TO ACQUIRE SUPPLIES

Blue Flame Medical President Said The Company Could Acquire Supplies Because Of Relationships. “The abrupt move to shutter Gula’s firm has set the Republican operative world ablaze, with many in the business wondering about Gula’s intentions and how he was able to move so swiftly. Thomas declined to specify how he and Gula had managed to obtain masks that have become so rare that some hospitals have resorted to reusing them or having health care workers tie bandannas or scarfs around their faces. ‘It’s just relationship-based,’ he said. ‘I can’t say anything else.’” [Politico, [3/27/20](#)]

Blue Flame Owner Said They Started The Company After They “Realized” They Had Connections With Manufacturers All Over The World. “Blue Flame’s president has described the venture as an altruistic effort to help the United States deal with the pandemic by tapping into connections he and his business partner established through politics. ‘We realized that I actually had some very good relationships with quite a few PPE manufacturers, all over the world,’ John Thomas said April 15 on his ‘Thomas Guide’ podcast. ‘So we quickly put together an organization called Blue Flame. And we, I believe, are now one of the largest, if not the largest, supplier of COVID-19 supplies.’” [CalMatters, [5/5/20](#)]

BLUE FLAME USED POLITICAL INFLUENCE

Blue Flame Won A Maryland Deal, After One Of The Company’s Principals Email An Acquaintance In Hogan’s Office. “Blue Flame won a deal in Maryland when one of the company’s principals emailed an acquaintance in Hogan’s administration to make a pitch for a business deal, according to the governor’s office. Before that, state procurement officials ‘had no knowledge of or previous working relationship’ with the Blue Flame founders, according to the state.” [Baltimore Sun, [5/6/20](#)]

- **Headline: Baltimore Sun: Feds Investigating Blue Flame Medical, Politically Connected Company Maryland Says Failed To Supply PPE During Pandemic.** [Baltimore Sun, [5/6/20](#)]

... THEN NOT DELIVERING – JUST MONTHS AFTER DAINES PAID HIM 50 THOUSAND DOLLARS

MAY 2020: WALL STREET JOURNAL: MARYLAND CANCELLED AN ORDER WITH BLUE FLAME BECAUSE THE “COMPANY FAILED TO DELIVER [SUPPLIES] ON TIME”

Wall Street Journal: Maryland Cancelled An Order With Blue Flame Because The “Company Failed To Deliver [Supplies] On Time.” “Maryland canceled a deal with Blue Flame for 1.5 million masks and more than 100 ventilators after the company failed to deliver on time, The Wall Street Journal reported earlier this month. Maryland officials signed a \$12 million contract on April 1 and Blue Flame received a down payment of \$6 million. State officials say the supplies

were due weeks later.” [Wall Street Journal, [5/12/20](#)]

- **Chinese Government Blocked A Shipment Of PPE To Maryland.** “Records obtained by the Journal indicate that Blue Flame ordered the masks from a supplier in China, but the Chinese government blocked the shipment to the U.S.. Another record shows that Blue Flame subsequently found another supplier to make the masks for Maryland.” [Wall Street Journal, [5/12/20](#)]
- **Maryland Officials “Grew Suspicious” And Canceled The Order.** “Maryland officials grew suspicious and canceled the order on May 1 and referred the matter to the state attorney general office for review. Around that time, the Justice Department launched a separate probe into the matter, according to a government official briefed on the situation.” [Wall Street Journal, [5/12/20](#)]
- **Headline: Wall Street Journal: “Maryland Cancels Big Coronavirus-Mask Order.”** [Wall Street Journal, [5/2/20](#)]

Melbourne Police Department In Florida Requested Refunds And Threatened An Investigation Into Blue Flame Medical Because Of Unfilled Orders. “Some of the company’s clients are requesting refunds or threatening their own investigations. [...] ‘We have spent close to \$5,000 on unfilled items, and we need to have it all refunded,’ wrote Daniel Lynch, a commander with the Melbourne Police Department in Florida, in an email to Blue Flame officials this month after spending weeks waiting for masks, face shields and surgical gowns. ‘At this point, if you do not refund the City of Melbourne this money, I will consider it theft/fraud, and move this to a different direction,’ Commander Lynch wrote in the email, which was obtained under open records laws.” [New York Times, [5/6/20](#)]

FEB 2020: DAINES PAID GULA \$50,000

Q1 2020: Daines Paid Gula Nearly \$50,000. According to the FEC, in February 2019, Daines paid Gula 44,934 in fundraising commission. [FEC, accessed [5/13/20](#)]

Full Name (Last, First, Middle Initial) c. Graham, Gula, , ,			Date of Disbursement M M / D D / Y Y Y Y 02 / 19 / 2020		
Mailing Address 499 S Capitol St SW Ste 420			FEC Identification Number C		
City Washington	State DC	Zip Code 20003-4027	Amount of Each Disbursement this Period 44934.10		
Purpose of Disbursement PAC Fundraising Commission		Category/ Type	Transaction ID : B53270B7563F94EB6A40		
Candidate Name		Disbursement For: 2020 <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	<input type="checkbox"/> Memo Item		
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	State: District:				
SUBTOTAL of Disbursements This Page (optional).....			46872.89		
TOTAL This Period (last page this line number only).....					

[FEC, accessed [5/13/20](#)]

DAINES SAID THE U.S. CHINA RELATIONSHIP WAS THE “MOST IMPORTANT RELATIONSHIP” THE U.S. HAD AND SAID IT WAS “TOO BIG TO FAIL”

Daines Said China Was The “Most Important Relationship” The U.S. Had, Quoting Ambassador Hunstman Who Said The China-U.S. Relationship Was “Too Big To Fail” Because It Was The World’s Largest Economies.
DAINES: “We saw business go from virtually nothing to a billion dollars in the period of 91 to 1997. I was in Hong Kong for the handover when Chris Patten and Prince Charles handed the keys over to China’s government on June 30th, ‘97. It was quite a moment to see that [INAUDIBLE] come down for the very last time. When we were there, the Chinese

economy was \$500 billion. Today it's, 12, \$13 trillion GDP. As mentioned by John, I think this is the most important relationship that we have when you think about where we're going here as a world and where China is headed. I was in Russia last week. Ambassador Hunstman framed it very well. He said that China-U.S. relationship is too big to fail because its' the two world's largest economies. The China-Russia relationship is too big to fail because China, or excuse me U.S. and Russia comprise 90% of all nuclear weapons in the world." [Steve Daines, Ripon Society, [7/13/18](#)] 00:01:16

Daines Said He Was Told The China-U.S. Relationship Was “Too Big To Fail” Because It Was The Two Largest World Economies. DAINES: “When we were in Russia three weeks ago, we met with Ambassador Hunstman, our U.S. ambassador to Russia. Remember, Ambassador Hunstman used to be the U.S. Ambassador to China. So he sees the big picture on the global stage with China, Russia, as well as the United States. He said this to us: he said the U.S.-China relationship is too big to fail because it’s the two world’s largest economies. You think about the two large economies, China is about \$12 trillion, second place. We’re at about \$19 trillion, first place. Third place, fourth place drop off precipitously so it’s about China and the U.S. relations in the global economy, that’s why it’s too big to fail.” [Steve Daines, Bloomberg Politics, [6/26/18](#)] (VIDEO) 00:03:47

CCTV: DAINES PRAISED THE RELATIONSHIP BETWEEN CHINA AND THE U.S.

Anchor: Daines “Hailed The Bilateral Relationship” Between China And The U.S. “A The Most Important In The World.” ANCHOR: “In an exclusive interview with CGTV, United States Senator from Montana Steve Daines hailed the bilateral relationship as the most important in the world. And that communication will serve to build mutual trust.” DAINES: “I’m certain that the two Presidents will have very good meetings and I’m very glad to see President Trump going to Beijing. I think that’s a good thing for the United States, it’s a good thing for China, it’s a good thing for the world. I think it’s a very important message that both the United States and China keep their doors open first of all for dialogue between our leaders, between our Presidents, between our members of Congress, between businesses, and just between ordinary people, it’s person to person relationship, they’re so important. Continue to build understanding of one another.” [CGTV, [11/6/17](#)] (VIDEO) 00:00:01

Daines Said “Person To Person” Relationships Between The U.S. And China Were “So Important” As Well As Continuing To “Build Understanding Of One Another.” DAINES: “I’m certain that the two Presidents will have very good meetings and I’m very glad to see President Trump going to Beijing. I think that’s a good thing for the United States, it’s a good thing for China, it’s a good thing for the world. I think it’s a very important message that both the United States and China keep their doors open first of all for dialogue between our leaders, between our Presidents, between our members of Congress, between businesses, and just between ordinary people, it’s person to person relationship, they’re so important. Continue to build understanding of one another.” [CGTV, [11/6/17](#)] (VIDEO) 00:00:12

DAINES CALLED CHINA A SUPERPOWER

Daines: “I Also Saw The Profound Nature Of China And Why It Is So Important That We Remain Fully Engaged With A, With A Superpower.” DAINES: “But I can tell you the issues we worked on back then are not dissimilar to what we, the challenges we face today. We were working on some of the IP issues, on trade issues. We were fully engaged on those issues back in the 90s and there’s similarities that we, we work on here today. So when I came to the United States Senate and, and after I left P&G just quick parentheses, I got in the cloud computing business. I joined the executive team of a early stage startup. We took the company public and, I was there for 12 years and I ran Asia Pacific the last five years. So I spent a lot of time back and forth in the region there. But this time in a cloud computing capacity and then Oracle acquired the company a few years ago. But I’ve seen a lot of changes and And I also saw the profound nature of China and why it is so important that we remain fully engaged with a, with a superpower.” [Steve Daines, China Business Council, [12/6/17](#)] (AUDIO) 00:12:53

DAINES TRAVELED TO CHINA FIVE TIMES

April 2016 – Sept. 2019: Daines Traveled To China On Five Occasions

Destination	Period
China	7/1/19 - 9/30/19
China	4/1/17 - 6/30/17

China	1/1/18 - 3/31/18
China	4/1/18 - 6/30/18
China	4/1/16 - 6/30/15
TOTAL	

[Foreign Travel Financial Reports, Congressional Record, [11/5/19](#); [9/5/17](#); [5/14/18](#); [8/15/18](#); [9/6/16](#)]



[China Daily, [9/3/19](#)]



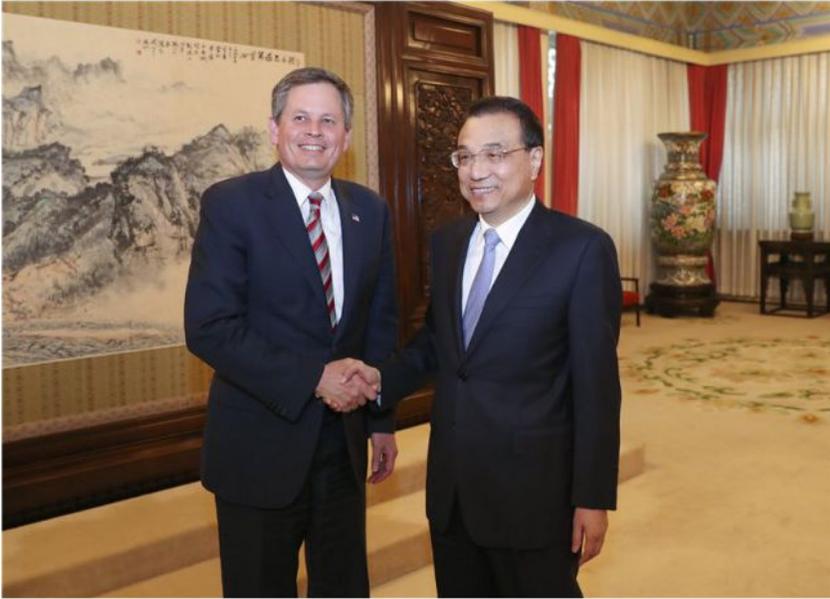
[South China Morning Post, [9/4/19](#)]



[Xinhua Net, [9/2/19](#)]

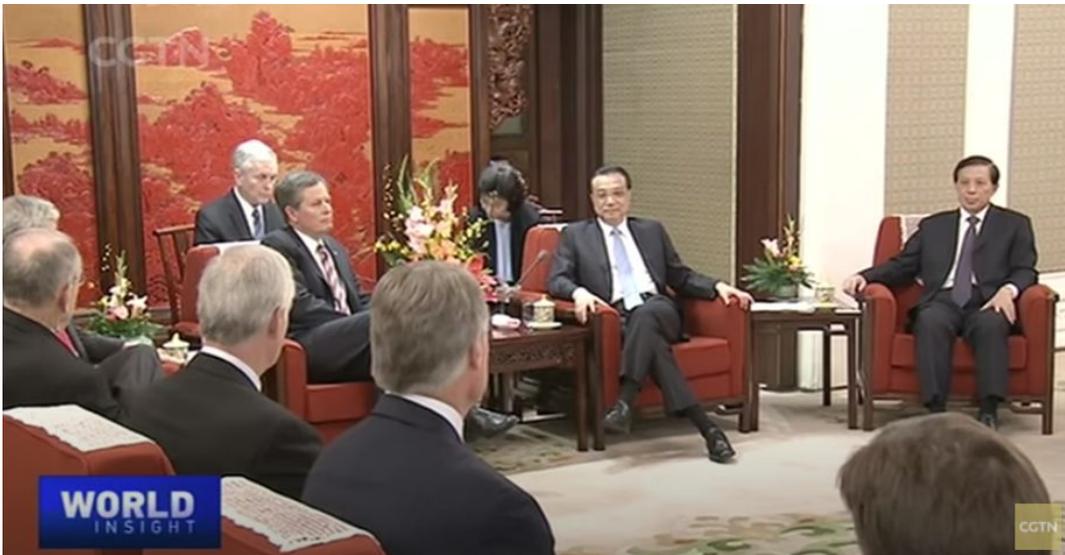


[CGTN, 9/7/19] ([VIDEO](#))



Chinese Premier Li Keqiang holds a meeting with a U.S. congress delegation, led by U.S. senator Steve Daines, March 27, 2018. [Photo: gov.cn]

[China Plus, [3/28/18](#)]



[CGTN, 3/28/18] ([VIDEO](#)) 00:00:15



[CGTN, 3/28/18] ([VIDEO](#)) 00:00:15

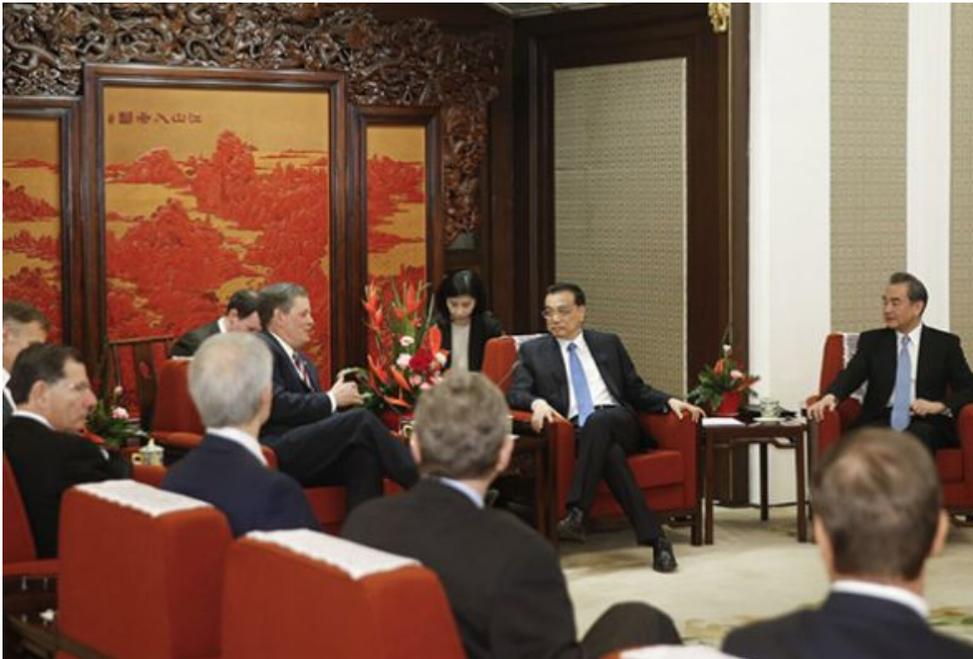


**Chinese Premier Li Keqiang
met with a Congressional delegation of
U.S. senators led by Steve Daines.**

[CCTV, 3/27/18] ([VIDEO](#))



[CCTV, 3/27/18] ([VIDEO](#))



[Press Release, The State Council, People's Republic of China, [4/12/17](#)]

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Top Chinese legislator meets US lawmakers

(Xinhua)

Updated: 2016-05-31 00:17

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Top legislator Zhang Dejiang meets with a delegation of US lawmakers led by Republican Senator from Montana Steve Daines on May 30, 2016. [Photo/Xinhua]

[China Daily, [5/30/16](#)]