

## Huffington Post Business

### TPG Capital Threatened To 'Gut' Whistleblower 'Like A Carp,' Lawsuit Claims

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Private equity firm TPG Capital was sued Thursday by its former head of public affairs, who alleges his bosses threatened to ruin his career, fired him and sued him after he raised concerns about the firm's business practices.

Adam Levine, former managing director of TPG's global public affairs department, claims in a whistleblower lawsuit filed in U.S. District Court in Northern California that his email to top executives drew a harsh response from chief counsel Clive Bode.

Bode said that if Levine had sent the email warning directly to him, Bode would have "hunted" him down and "gutted him like a carp," according to the lawsuit. A few days later, the suit says, Bode told Levine to "take this little game as far as you want Levine, but if you bring Bonderman into it, I will fucking kill you," referring to TPG founding partner David Bonderman.

After his concerns were ignored, Levine emailed Bonderman and co-founder Jim Coulter, threatening to share the company's business practices with the Securities and Exchange Commission, the suit says. Levine says he was fired 15 minutes later.

San Francisco-based TPG, with nearly \$65 billion in assets under management, didn't just fire Levine. In January, the company sued Levine, claiming he improperly took documents from the firm and gave them to The New York Times and other news outlets. Levine, a former assistant press secretary to President George W. Bush, left TPG effective Dec. 31, the company said.

"TPG has since waged a relentless and unlawful campaign to smear Mr. Levine's reputation," the complaint states.

TPG, in a statement Thursday, called Levine's claims "patently false and defamatory" and reiterated the company's contentions in its lawsuit against Levine. "Mr. Levine's lawsuit today is nothing more than a meritless pleading designed to distract attention from Mr. Levine's own egregious and illegal misconduct," the company said.

**Jordan Thomas, a lawyer representing Levine in his complaint to the SEC, said Levine's information is of interest to federal authorities. Thomas worked for the SEC from 2003 to 2011, serving as an assistant director in the enforcement division and helping develop the commission's whistleblower program.**

**"TPG apparently decided to adopt what can best be described as a kamikaze legal strategy," Thomas told The Huffington Post. "Kamikazes were effective in war in causing damage, but they also died. Historically, these strategies do not work out well."**

Levine's lawsuit alleges that TPG improperly charged investors for expenses that should have been paid by the firm. After reading a speech by an SEC official that criticized the private equity industry for using investor fees meant to cover the cost of outside consultants and management advisers to pay its own employees, Levine says he recognized TPG used those practices regularly. The tactic allows private equity employees to double-bill -- once in their standard role as an employee of the firm, and a second time as a consultant to companies the firm invests in.

Levine says he was told by TPG executives that if he increased his department's revenue by billing costs to portfolio companies and investors, he would be made a partner.

Additionally, Levine contends TPG intentionally misstated the date its chief investment officer, Jonathan Coslet, assumed that role. Coslet has been chief investment officer since 2007, but Levine says the firm told investors he started in 2009 in order to distance current management from disastrous investments in Washington Mutual bank and Texas utility TXU prior to the economic collapse, according to his lawsuit.

TPG invested in Washington Mutual in April 2008, and the bank went bankrupt six months later. TPG's investment in TXU, with other private equity firms, remains the largest leveraged buyout ever. The deal at its core bet that natural gas prices would rise, and performed poorly when they did not. TXU, since renamed Energy Future Holdings, declared bankruptcy in 2014.

Levine alleges that TPG told its investors the company had "made a change" by appointing Coslet chief investment officer in 2009.

When Levine raised concerns about this misstatement with TPG chief operating officer Jerome Vascellaro, Vascellaro replied, "Why let the facts get in the way of a good story?" the lawsuit says.

In an unrelated action, the SEC on Wednesday settled charges that construction giant KBR stifled potential whistleblowers. The Wall Street Journal reported "the company required witnesses in internal investigations to sign confidentiality statements that could have kept them from reporting possible securities-law violations to outside authorities."

Last year, the SEC reached a \$2 million settlement with another firm over whistleblower retaliation.