

Summary of Wall Street Journal article on Gordon Cooper's failed commercial projects
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UFO enthusiasts who think that ex-astronaut Gordon Cooper's NASA career is adequate grounds to believe all the stories he tells about UFOs might be advised to read the feature article in the 'Wall Street Journal' for November 7, 1997. The story by staff reporters Ellen Joan Pollack and Carlos Tejada is entitled "Down to Earth: An Astronaut's Fame Draws Desperate Cities into Risky Investments", subtitle "Gordon Cooper Was a Hero In Space but Has Trouble Making His Business Fly."

Investors, both corporate, government, and individuals, gave Cooper's companies over two million dollars during the 1980s and 1990s, and everybody lost every dime. Cooper says it was all their own fault.

The article features the sad story of Edinburg, Texas, a mainly Hispanic city of 37,000 people near the Rio Grande. In 1992, they hoped that their high unemployment rate would be helped by a company led by Cooper that promised to develop a factory to upgrade airplane engines.

Cooper completely trusted his partners in these companies, and he also trusted his own engineering and business instincts. According to Al Bubis, a partner in two of the failed companies, "He doesn't believe anybody's going to say things that are not true. You have to believe, if you go up into space in a pillbox."

For Cooper's first commercial experience after leaving NASA in 1970, he was hired as a consultant by Dalton Smith, who used Cooper's name to clinch a number of deals. Cooper was paid not in cash but with a small airplane, which he spent a lot of his own time, effort and money refurbishing. Then he was told the aircraft had not even been Smith's (who was also convicted of fraud for some other business activities), and it was repossessed, leaving Cooper in the hole for his work.

Smith then asked Cooper to take part in a second consulting project with him. Incredibly, Cooper, who thought of Smith as 'a nice guy', accepted. The deal would sell millions of dollars of helicopter parts to El Salvador. Cooper was sent to El Salvador to supervise the unloading (he had been present in the US when the ship was loaded), but began to feel 'queasy', quit, and left the country. When the ship arrived, it was loaded with scrap metal, and the valuable parts which had been paid for, were missing. Cooper just couldn't figure out where the real merchandise had disappeared to, and Smith died before explaining it to him.

Next, Cooper was a spokesman for 'American Consumer Incorporated,' and appeared in newspaper ads extolling a gasoline-saving device for automobiles. "Astronaut Gordon Cooper Announces: Now! Convert Air into Energy – Explode it Like Fuel," said the ads, next to a photograph of Cooper in a spacesuit. The Federal Trade Commission concluded the device was a scam and ordered Cooper to stop endorsing it, and the company collapsed.

In 1975 Cooper went to work for Walt Disney Productions, and developed a number of ideas on theme-park rides, waste disposal, and other technical issues. But when the company decided that not a single idea was worth implementing, Cooper left in frustration.

Next was a plan to develop an ethanol-powered automobile engine, where he first met Al Bubis. The company, Vis-Tec Inc., needed capitalization, so Cooper traveled around telling space flight stories to charm investors. One investor recalled a dinner where Cooper described ‘electromagnetic concepts’, and told reporters, “His theories, which I would have difficulty articulating at this point, seemed to be an intelligent approach.” He went in for \$100,000 and within a year it was all gone and Vis-Tec filed for bankruptcy.

Next up was an aviation business idea, where in the early 1980s he flew methanol-powered small airplanes around the country. With his friend Al Bubis, he founded XL Inc. to commercialize the idea, which he claimed was based on his own experience in NASA where he once had to fly a jet back to Houston using methanol. Aside from Cooper’s version of the story there is no documentation it ever happened, and an engineer that XL hired to duplicate the performance was unable to get the same results that Cooper remembered.

Investors were eager to hear Cooper’s astronaut stories but less willing to part with money (the experiences of investors in Cooper’s earlier ventures had apparently become widely known), so eventually Bubis and other members of the XL board of directors decided to divert their efforts into projects more likely to make a profit. Cooper felt betrayed and quit in anger.

In 1987 Cooper founded the Galaxy Group, Inc., with the goal of commercially upgrading the engines of small airplanes to more efficient designs. This time he turned to fellow pilots for money, and raised close to a million dollars from private investors, many of them retired aviation workers (he also put in \$300,000 of his own money).

His vice president at Galaxy was a California businessman named G. Pendleton Parrish, who came from an investment firm that had won a \$300,000 contract from the state of Louisiana for several state development projects. None was ever built, and a state audit found that much of the money had been spent flying officials back and forth from California. After another of Parrish’s business deals was aborted, a friend of Cooper’s tried to warn him not to trust Parrish, but Cooper refused to listen. “Gordon even got a little bit mad at me and I just sort of backed off and said, ‘It’s your company,’” the man told reporters.

Through Parrish, Cooper hired Michael Franzese, stepson of a crime-family boss who himself had recently been convicted on federal racketeering and tax-conspiracy charges. He spent six months supposedly looking for investors while running up \$29,000 on a company credit card before being arrested on an unrelated parole charge and sent back to prison.

Cooper’s next plan for financing was to find a desperate small community in need of jobs that his airplane plans could provide. Over a period of several years he negotiated with five towns, while ‘regaling local politicians with tales from space’ and handing out autographed photographs.

His negotiations with Edinburg, Texas, began in 1991. “Here was this hero, this national hero,” recalled Rudy De La Vina, then the mayor. “We believed in Colonel Cooper,” recalled Alejo Salinas, Jr., then a city commissioner. The town decided to loan Cooper’s company \$1.3 million, a major chunk of its annual budget, although other local entities were suspicious. The independent ‘Council for South Texas Economic Progress’ warned that there

were “many unanswered questions and huge gaps in Galaxy’s financial statements and bonafides,” but when compared with the reputation of an astronaut hero, these views were ignored.

In 1992, Cooper led the town’s Fiesta Hidalgo parade to celebrate the deal. “There was a glimmer of hope for development,” Salinas remembered. Then, he continued, “they took our glimmer, and they took our money.” Added Charlie Espinoza, the one commissioner out of five who had voted against the deal, “It was too good to be true.”

As Cooper’s company spent the money, it failed to make progress on the project. At one point, to get some operating funds, it cashed in a \$325,000 bond which it had listed as collateral for the town’s loan. Cooper says the town gave permission; two Edinburg officials say they never were asked. Cooper offered to replace the collateral with an airplane, and three town officials flew to California to look at it rather than just take Cooper’s word for it. Rather than show them the plane, Cooper drove them past Hollywood homes, the Santa Monica beaches, and offered to introduce them to John Travolta, before putting them back on their flight without ever showing them the plane they had come to see (Cooper later claimed they weren’t interested in the plane and just wanted to go sightseeing). Soon the money was gone and the project collapsed, and the town never got any collateral for the defaulted loan.

By then Cooper was already negotiating with other towns. He went to Macon, Georgia, but his demand to take over existing facilities was rejected. He went to his own home town, Shawnee, Oklahoma, and promised them 2,000 new jobs within four years, if the city would finance the entire project. His home town said no.

Then he tried Edwards AFB, California, where aerospace cutbacks had hurt the local economy but where there were many retired pilots who might be expected to like the idea, or at least, like anything that a famous astronaut was proposing. The town of Lancaster decided to give Cooper’s company \$300,000 to set up shop; Cooper, meanwhile, also liquidated most of his own holdings, including land in Colorado given to him by his mother, to provide more funds.

Arnie Rodio, who was mayor of Lancaster at the time, told reporters they hadn’t realized that Galaxy ‘was operating on a shoestring’. When the project failed to materialize, the town sued Cooper’s company and won a court judgment, which hasn’t been paid. Rodio lost his reelection bid when the Cooper project became a campaign issue in the next town election.

According to court documents reviewed by the Wall Street Journal, Cooper denied any wrongdoing and blamed all of the failures on each of the towns. He also criticized Edinburg for breaking a promise not to sue him for default. “Certainly I feel bad that we didn’t have a successfully going project down there,” he told a reporter, “but there were valid reasons why we didn’t.”

During the interview for the Wall Street Journal in 1997, Cooper described how it would only take \$2 million to get his company back on its feet and making a profit. He believes it’s just a matter of time, despite two failed attempts to take the company public and raise funds through stock sales. He had his eye on a project to build logging helicopters for Fiji, and he’s been in touch with an inventor of a new piston engine for small airplanes that is “so simple,

you can't believe it will work." Investors from Mexico and Taiwan were looking him over, he told reporters: "We don't have a check in hand," he admitted, "but we're looking very optimistic."