



## **Stock Research Report**

Stock Name: Tesla (TSLA)

[www.teambiddles.com](http://www.teambiddles.com)

April 11, 2020

## Profile

Tesla, Inc., formerly Tesla Motors, Inc., designs, develops, manufactures and sells fully electric vehicles, and energy storage systems, as well as installs, operates and maintains solar and energy storage products. The Company operates through two segments: Automotive, and Energy generation and storage. The Automotive segment includes the design, development, manufacturing, and sales of electric vehicles. The Energy generation and storage segment includes the design, manufacture, installation, and sale or lease of stationary energy storage products and solar energy systems to residential and commercial customers, or sale of electricity generated by its solar energy systems to customers. The Company produces and distributes two fully electric vehicles, the Model S sedan and the Model X sport utility vehicle (SUV). It also offers Model 3, a sedan designed for the mass market. It develops energy storage products for use in homes, commercial facilities and utility sites.



### PERFORMANCE

5 Day	26.08%	
1 Month	2.22%	
3 Month	19.04%	
YTD	36.97%	
1 Year	113.47%	

1 Month

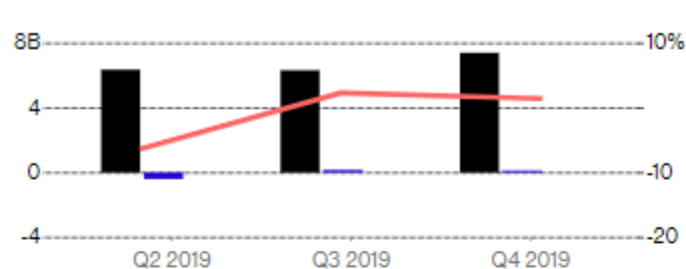


# Fundamental

For the fiscal year ended 31 December 2019, Tesla Inc revenues increased 15% to \$24.58B. Net loss decreased 12% to \$862M. Revenues reflect Automotive segment increase of 16% to \$23.05B, Other segment increase from \$3.05B to \$6.16B, China (Country) segment increase of 70% to \$2.98B. Lower net loss reflects Selling, general and administrative - Ba decrease of 10% to \$2.14B (expense).

## Income Statement

Quarterly Annual

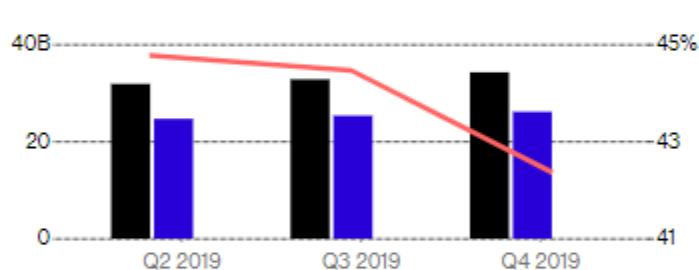


Q4 2019 (Millions USD)

● Revenue	7,384.00
● Net Income	105.00
● Profit Margin	1.42%

## Balance Sheet

Quarterly Annual



Q4 2019 (Millions USD)

● Total Assets	34,309.00
● Total Liabilities	26,199.00
● Debt to Assets	42.56%

## Cash Flow

Quarterly Annual



Q4 2019 (Millions USD)

● Operating	1,425.00
● Investing	-403.00
● Financing	-65.00

## TSLA PEERS - SELECT UP TO 4 PEERS TO COMPARE IN CHART

Top 5 Industry Peers ▼

Company Name/Symbol ^	Current Consensus Recommendation	Price	Today's Change	Market Cap	P/E	5 Yr EPS Growth
<input checked="" type="checkbox"/> Tesla Inc TSLA	<div><div></div><div>HOLD</div><div></div></div>	\$573.00	⬆️ 24.16 +4.40%	103.7B	158.3x	--
<input type="checkbox"/> Harley-Davidson Inc HOG	<div><div></div><div>HOLD</div><div></div></div>	\$21.13	⬆️ 2.28 +12.10%	3.2B	9.1x	-3.28%
<input type="checkbox"/> Honda Motor Co LTD HMC	<div><div>STR. BUY</div><div></div><div></div></div>	\$22.33	⬆️ 0.20 +0.90%	39.0B	--x	+18.56%
<input type="checkbox"/> Nio Inc NIO	<div><div></div><div>HOLD</div><div></div></div>	\$2.67	⬇️ 0.07 -2.55%	2.0B	--x	--
<input type="checkbox"/> Nissan Motor Co NSANY	<div><div></div><div>HOLD</div><div></div></div>	\$6.77	⬆️ 0.17 +2.58%	13.2B	--x	+13.23%
<input type="checkbox"/> Tata Motors LTD TTM	<div><div></div><div>HOLD</div><div></div></div>	\$5.14	⬆️ 0.53 +11.50%	3.0B	--x	-41.24%

# Technical

(Setups, Buy Points, & Ideas)

## Elliot Wave Count and Oscillator

No Entry Detected – 1<sup>st</sup> wave setup, unconfirmed Wave 2





Possible Setup 1,2,3 Pattern, Support \$537, Resistance \$836, Break above will continue upward trend. Trader TheBullsEye

## Investment Circle Trader Ideas



Tesla entered in bullish uptrend. Thursday AM hit upper BB at 594, so it will retrace at 490-520 area. We should watch for macro, but after very good deliveries Q1 numbers and good news from China we should expect more good news from Tesla in the coming weeks. Opening of American factories, ramp up of the Giga 3 and construction of the Giga Berlin. Trader AlekMD





























Major deflation is coming. Stock market will most likely make a final big wash before comfortably finding a bottom for 2020  
Trader Hozo94

## Previous Candlestick Patterns

### Candlestick Patterns

[Customize](#)

Pattern	Timeframe	Reliability	Candles Ago	Candle Time
Emerging Patterns				
 Three Outside Up	30	★★★	Current	
Completed Patterns				
 Evening Doji Star	1M	★★★	1	Mar 20
 Evening Doji Star	1D	★★★	1	Apr 08, 2020
 Abandoned Baby Bearish	1D	★★★	1	Apr 08, 2020
 Three Inside Up	5H	★★★	1	Apr 09, 2020 07:00AM
 Bullish Engulfing	30	★★★	1	Apr 09, 2020 03:00PM
 Advance Block Bearish	15	★★★	1	Apr 09, 2020 03:30PM
 Deliberation Bearish	1M	★★★	2	Feb 20
 Doji Star Bearish	1M	★★★	2	Feb 20
 Doji Star Bearish	1D	★★★	2	Apr 07, 2020
 Harami Cross	1W	★★★	6	Mar 01, 2020
 Homing Pigeon	1W	★★★	6	Mar 01, 2020
 Falling Three Methods	1M	★★★	8	Aug 19
 Doji Star Bearish	1W	★★★	9	Feb 09, 2020
 Advance Block Bearish	1W	★★★	9	Feb 09, 2020
 Deliberation Bearish	1W	★★★	9	Feb 09, 2020
 Shooting Star	1W	★★★	10	Feb 02, 2020
 Upside Gap Two Crows	1D	★★★	10	Mar 26, 2020
 Evening Doji Star	15	★★★	10	Apr 09, 2020 01:15PM
 Doji Star Bearish	15	★★★	11	Apr 09, 2020 01:00PM
 Three Inside Up	1D	★★★	12	Mar 24, 2020
 Harami Cross	1D	★★★	13	Mar 23, 2020
 Bullish doji Star	1H	★★★	14	Apr 07, 2020 03:00PM
 Advance Block Bearish	1W	★★★	15	Dec 29, 2019
 Advance Block Bearish	15	★★★	15	Apr 09, 2020 12:00PM
 Falling Three Methods	30	★★★	17	Apr 08, 2020 01:30PM



## Highlights

- Relative Strength (RS) is 99 out of 10
- Earnings Per Share (EPS) 2.9 out of 10
- This is the 16<sup>th</sup> top performer out of peer group
- Accumulation / Distribution is 7.8 out of 10
- TSLA has broken through resistance at \$526, confirm market uptrend and ensure this is new support level before entering bullish trade, wait until fallback to support.

## Exits

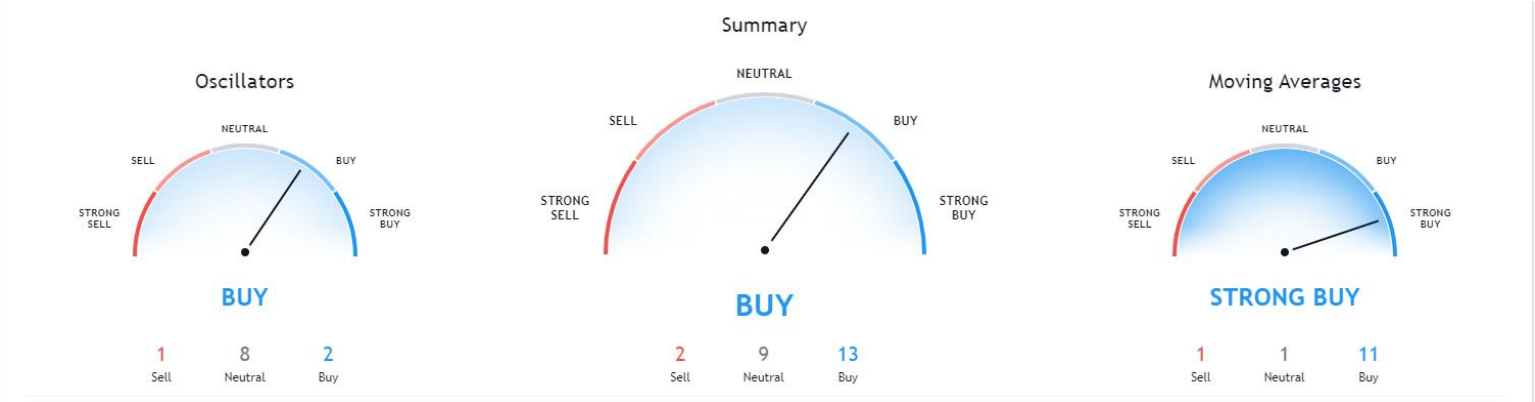
- Place trailing stop loss order, take profits at 5% is recommended, but ride the stock price up
- Place a stop limit order, and ensure intraday price trading range is large enough so you don't get priced out of the stock
- Stop Loss at 7% below entry is recommended as risk strategy to preserve capital

## Weekly

### Pivot Points »

Apr 09, 2020 08:05PM GMT

Name	S3	S2	S1	Pivot Points	R1	R2	R3
Classic	340.06	393.23	436.62	489.79	533.18	586.35	629.74
Fibonacci	393.23	430.12	452.90	489.79	526.68	549.46	586.35
Camarilla	453.46	462.31	471.16	489.79	488.86	497.71	506.56
Woodie's	335.18	390.79	431.74	487.35	528.30	583.91	624.86
DeMark's	-	-	414.92	478.94	511.49	-	-



OSCILLATORS

Name	Value	Action
Relative Strength Index (14)	64.80	Neutral
Stochastic %K (14, 3, 3)	51.94	Neutral
Commodity Channel Index (20)	137.18	Neutral
Average Directional Index (14)	25.47	Neutral
Awesome Oscillator	220.88	Buy
Momentum (10)	349.54	Sell
MACD Level (12, 26)	71.21	Buy
Stochastic RSI Fast (3, 3, 14, 14)	77.22	Neutral
Williams Percent Range (14)	-50.00	Neutral
Bull Bear Power	151.39	Neutral
Ultimate Oscillator (7, 14, 28)	52.76	Neutral

MOVING AVERAGES

Name	Value	Action
Exponential Moving Average (5)	535.82	Buy
Simple Moving Average (5)	566.78	Buy
Exponential Moving Average (10)	463.58	Buy
Simple Moving Average (10)	418.68	Buy
Exponential Moving Average (20)	394.04	Buy
Simple Moving Average (20)	351.31	Buy
Exponential Moving Average (30)	361.11	Buy
Simple Moving Average (30)	337.71	Buy
Exponential Moving Average (50)	321.22	Buy
Simple Moving Average (50)	308.76	Buy
Exponential Moving Average (100)	—	—
Simple Moving Average (100)	—	—
Exponential Moving Average (200)	—	—
Simple Moving Average (200)	—	—
Ichimoku Cloud Base Line (9, 26, 52, 26)	572.99	Neutral
Volume Weighted Moving Average (20)	388.49	Buy
Hull Moving Average (9)	677.44	Sell

# Weekly Historical Pricing

## TSLA Historical Data



Time Frame:

Daily ▼



Download Data

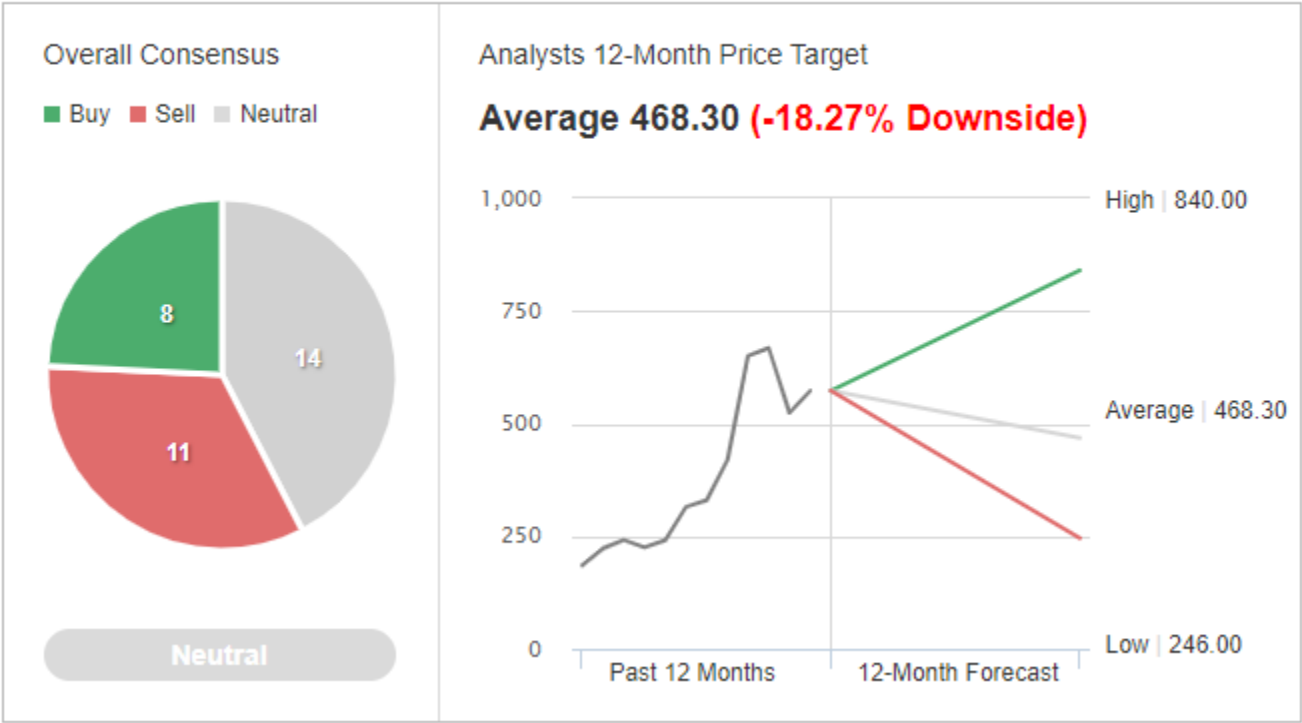
03/12/2020 - 04/12/2020



Date ▾	Price ▾	Open ▾	High ▾	Low ▾	Vol. ▾	Change % ▾
Apr 09, 2020	573.00	562.08	574.99	557.43	13.65M	4.40%
Apr 08, 2020	548.84	553.02	557.00	533.56	12.66M	0.62%
Apr 07, 2020	545.45	545.00	564.83	532.71	17.92M	5.66%
Apr 06, 2020	516.24	512.49	520.32	498.38	14.90M	7.55%
Apr 03, 2020	480.01	507.16	515.08	468.65	22.56M	5.62%
Apr 02, 2020	454.47	477.22	494.00	446.72	19.86M	-5.63%
Apr 01, 2020	481.56	503.90	513.11	475.10	13.35M	-8.10%
Mar 31, 2020	524.00	502.23	542.83	497.35	17.77M	4.36%
Mar 30, 2020	502.13	510.26	516.65	491.23	12.00M	-2.38%
Mar 27, 2020	514.36	502.72	524.34	494.34	14.38M	-2.61%
Mar 26, 2020	528.16	549.11	558.12	512.53	17.42M	-2.06%
Mar 25, 2020	539.25	545.20	556.40	511.56	21.22M	6.78%
Mar 24, 2020	505.00	479.66	513.58	474.52	22.90M	16.28%
Mar 23, 2020	434.29	433.60	442.00	410.50	16.45M	1.58%
Mar 20, 2020	427.53	438.20	477.00	425.79	28.29M	-0.03%
Mar 19, 2020	427.64	374.00	451.75	359.63	30.20M	18.39%
Mar 18, 2020	361.22	389.25	404.56	350.80	23.79M	-16.03%
Mar 17, 2020	430.20	440.01	471.85	396.00	23.99M	-3.34%
Mar 16, 2020	445.07	469.50	494.87	442.17	20.49M	-18.58%
Mar 13, 2020	546.62	595.00	607.57	502.00	22.64M	-2.49%
Mar 12, 2020	560.55	580.89	594.50	546.25	18.91M	-11.62%
Highest: 607.57	Lowest: 350.80	Difference: 256.77		Average: 492.65		Change %: -9.65

# Wall Street

## TSLA Consensus Estimates



### ANALYST CONSENSUS & TRENDS

STRONG BUY	5	<div></div>
BUY	2	<div></div>
HOLD	15	<div></div>
SELL	3	<div></div>
UNDERPERFORM	9	<div></div>

The current Price Target for TSLA is **\$454.57**

## Latest News

CNBC

- [Tesla furloughs hit half of US sales and delivery employees](#)
- [LA County extends stay-at-home order, \\$30 billion in aid sent to hospitals](#)
- [Cramer's lightning round: Calithera is a 'very good spec'](#)
- [Coronavirus pushes auto dealers to embrace online sales like Tesla, Carvana](#)
- [American Century launches first actively managed hidden-asset ETFs — here's what you need to know](#)
- [Tesla Needs To Ramp Up Shanghai Production Further To Meet Demand In 2020](#) 10 Apr 2020 - Seeking Alpha
- [Tesla Needs Lower Margins To Capitalize On Long-Term EV Growth](#) 10 Apr 2020 - Seeking Alpha
- [Tesla to sell more Shanghai-built versions of Model 3](#) 10 Apr 2020 - Seeking Alpha
- [Tesla Faces Coronavirus Cash Crunch](#) 9 Apr 2020 - Seeking Alpha
- [Tesla's First Quarter Model S And X Sales Lowest In Years](#) 9 Apr 2020 - Seeking Alpha

# Complaints, Reviews, & Major Litigation

## **Fisker Automotive**

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On April 14, 2008, Tesla sued [Fisker Automotive](#), alleging that [Henrik Fisker](#) "stole design ideas and confidential information related to the design of hybrid and electric cars" and was using that information to develop the [Fisker Karma](#). Tesla had hired [Fisker Coachbuild](#) to design the WhiteStar sedan, but rejected the design that Musk considered "substandard".<sup>[1][2]</sup> On November 3, 2008, Fisker Automotive Inc. issued a press release indicating that an arbitrator had issued an interim award finding in Fisker's favor on all claims.<sup>[3]</sup>

## **Founder dispute**

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The company founding was the subject of a lawsuit that was later dropped after an out-of-court settlement.<sup>[4][5]</sup> On May 26, 2009, Eberhard filed suit against Tesla and Musk for slander, libel and breach of contract.<sup>[6]</sup> Musk wrote a lengthy blog post that included original source documents, including emails between senior executives and other artifacts attempting to demonstrate that Eberhard was fired by Tesla's unanimous board of directors.<sup>[7]</sup> A judge struck down Eberhard's claim that he was one of only two company founders.<sup>[8]</sup> Tesla said in a statement that the ruling is "consistent with Tesla's belief in a team of founders, including the company's current CEO and Product Architect Elon Musk, and Chief Technology Officer JB Straubel, who were both fundamental to the creation of Tesla from inception."<sup>[9]</sup> Eberhard withdrew the case<sup>[10]</sup> and the parties reached a final settlement. One public provision said that the parties will consider Eberhard, Musk, Straubel, Tarpenning and Wright to be the five co-founders. Eberhard issued a statement about Musk's foundational role in the company: "As a co-founder of the company, Elon's contributions to Tesla have been extraordinary."<sup>[11]</sup>

## **Ecotricity**

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In early 2014, Tesla reportedly tried to break the exclusivity agreement their charging partner in the UK had for locations along the UK's highways and tried to "blacken Ecotricity's name with politicians and the media".<sup>[12]</sup> [Ecotricity](#) replied by taking an injunction against them.<sup>[13][14]</sup> The dispute was resolved [out of court](#).<sup>[15]</sup>

## **Top Gear review**

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Tesla unsuccessfully sued British television show [Top Gear](#) for its 2008 review of the [Tesla Roadster \(2008\)](#) in which [Jeremy Clarkson](#) could be seen driving one around the *Top Gear* test track, complaining about a range of only 55 mi (89 km), before showing workers pushing it into the garage, supposedly out of charge. Tesla filed a lawsuit against the [BBC](#) for libel and malicious falsehood, claiming that two cars were provided and that at any point, at least one was ready to drive. Paradoxically, the range of 55 mi was calculated by Tesla itself and supplied to Top Gear as an estimate of the car's range.<sup>[16]</sup> In addition, Tesla said that neither car ever dropped below 25% charge, and that the scene was staged.<sup>[17][18][19][20]</sup> However, Top Gear frequently stages scenes for comedic effect, for example by showing Jeremy Clarkson having to refuel the [Jaguar XJS](#) three times during the review of it.<sup>[21]</sup> The High Court in London rejected Tesla's libel claim.<sup>[22]</sup> The falsehood claims were later struck out.<sup>[23]</sup>

## **New York Times test drive**

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In early 2013, Tesla approached the [New York Times](#) to publish a story "Focused on future advancements in our Supercharger technology".<sup>[24]</sup> In February 2013, the *Times* published an account on the newly installed [Supercharger network](#) on freeway between Boston and New York City. The author describes fundamental flaws in the Model S sedan, primarily that the range was severely lowered in the below-freezing temperatures of the American Northeast. At one point the vehicle died completely and needed to be towed to a charging station.<sup>[25]</sup>

After the story was published, Tesla stock dipped 3%.<sup>[26]</sup> Three days later, Musk responded with a series of [tweets](#), calling the article "fake",<sup>[27]</sup> and followed up with a lengthy blog post disputing several of the article's claims. He called it a "salacious story"

and provided data, annotated screenshots and maps obtained from recording equipment installed in the press vehicle as evidence that the New York Times had fabricated much of the story.<sup>[24]</sup>

[...] Instead of plugging in the car, he drove in circles for over half a mile in a tiny, 100-space parking lot. When the Model S valiantly refused to die, he eventually plugged it in.

— *Elon Musk, A Most Peculiar Test Drive – Tesla Blog*

In a statement, the Times stood by the accuracy of the story, calling it "completely factual".<sup>[27]</sup> Author John Broder quickly issued a rebuttal in which he clarified and rejected many of the accusations made by Musk.<sup>[28]</sup>

[...] I drove around the Milford service plaza in the dark looking for the Supercharger, which is not prominently marked. I was not trying to drain the battery. (It was already on reserve power.) As soon as I found the Supercharger, I plugged the car in.

— *John Broder, That Tesla Data: What It Says and What It Doesn't – The New York Times*

During further investigation by the media, Musk said "the Model S battery never ran out of energy at any time, including when Broder called the flatbed truck." Auto blog [Jalopnik](#) contacted Rogers Automotive & Towing, the towing company Broder used. Their records showed that "the car's battery pack was completely drained."<sup>[29]</sup> In his follow-up blog post, Broder said "The car's display screen said the car was shutting down, and it did. The car did not have enough power to move, or even enough to release the electrically operated parking brake."

In the days that followed, NYT public editor [Margaret Sullivan](#) published an opinion piece titled "Problems With Precision and Judgment, but Not Integrity, in Tesla Test". She concludes "In the matter of the Tesla Model S and its now infamous test drive, there is still plenty to argue about and few conclusions that are unassailable."<sup>[30]</sup> No legal action was pursued.

## Singapore tax surcharge

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In early March 2016, a report by [Stuff magazine](#) said that test performed by VICOM, Ltd on behalf of Singapore's Land Transport Authority had found a 2014 Tesla Model S to be consuming 444 Wh/km (0.715 kW·h/mi),<sup>[31][32]</sup> which was greater than the 236 watt-hours per kilometre (0.38 kW·h/mi) reported by the U.S Environmental Protection Agency (EPA)<sup>[33]</sup> and the 181 watt-hours per kilometre (0.291 kW·h/mi) reported by Tesla.<sup>[34]</sup> As a result, a carbon surcharge of ~~S~~\$15,000 (US\$10,900 at March 2016 exchange rate) was imposed on the Model S, making Singapore the only country in the world to impose an environmental surcharge on a fully electric car.<sup>[35]</sup> The Land Transport Authority justified this by stating that it had to "account for CO<sub>2</sub> emissions during the electricity generation process" and therefore "a grid emission factor of 0.5g/watt-hour was also applied to the electric energy consumption",<sup>[36]</sup> however Tesla countered that when the energy used to extract, refine, and distribute gasoline was taken into account, the Model S produces approximately one-third the CO<sub>2</sub> of an equivalent gasoline-powered vehicle.<sup>[34]</sup>

Later that month, the Land Transport Authority released a statement stating that they and the VICOM Emission Test Laboratory will be working with Tesla engineers to review the test,<sup>[37]</sup> and a Tesla statement indicated that the discussions were "positive" and that they were confident of a quick resolution.<sup>[34]</sup>

## SEC investigations

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The July 11, 2016 *Wall Street Journal* reported that Tesla was being investigated by the [U.S. SEC](#) to see if the company should have disclosed a fatal [crash](#) involving its autopilot technology before the company sold more than US\$2 billion worth of shares in May 2016.<sup>[38]</sup> A separate SEC investigation closed "without further action" in October 2016 about Tesla's use of non-GAAP ([Generally Accepted Accounting Principles](#)) reporting; Tesla switched to GAAP-reporting in October 2016.<sup>[39]</sup>

## SolarCity acquisition shareholder litigation

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In September and October 2016, seven Delaware [lawsuits](#) were filed by Tesla stockholders seeking to block the proposed SolarCity acquisition. In October 2016, the Court consolidated the actions and appointed a lead plaintiff. The plaintiffs alleged, among other things, that the Tesla board of directors breached their fiduciary duties in approving the acquisition and that certain individuals would be unjustly enriched by the acquisition.<sup>[40]</sup> The acquisition was approved by Tesla and SolarCity's stockholders on November 17, 2016<sup>[41]</sup> and the merger closed on November 21, 2016. On October 24, the transcripts of video depositions of Elon Musk and other SolarCity board members became widely available.<sup>[42]</sup>

## Autopilot 2 class-action lawsuit

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On April 19, 2017, Tesla owners filed a class-action lawsuit due to Tesla exaggerating the capabilities of its Autopilot 2 to consumers.<sup>[43]</sup> The lawsuit claimed that "buyers of the affected vehicles have become beta testers of half-baked software that renders Tesla vehicles dangerous if engaged"<sup>[44]</sup> Tesla attacked the lawsuit as a "disingenuous attempt to secure attorney's fees posing as a legitimate legal action".<sup>[45]</sup> On May 19, 2018, Tesla reached an agreement to settle the class-action lawsuit. Under the proposed agreement, class members, who paid to get the Autopilot upgrade between 2016 and 2017, will receive between \$20 and \$280 in compensation. Tesla has agreed to place more than \$5 million into a settlement fund, which will also cover attorney fees. The proposed settlement does not mention the safety allegations but focuses on the delay in making the promised features available to consumers.<sup>[46]</sup>

## Labor practices

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On April 19, 2017, Tesla factory workers filed unfair labor practice charges with the [National Labor Relations Board](#), alleging that Tesla uses "illegal surveillance, coercion, intimidation and prevention of worker communications [...] in an effort to prevent or otherwise hinder unionization of the Fremont factory."<sup>[47][48]</sup>

According to [CNBC](#), "the United Automobile Workers (UAW) union filed four separate charges with the National Labor Relations Board alleging that [Tesla] has illegally surveilled and coerced workers attempting to distribute information about the union drive."<sup>[49]</sup> On February 10, 2017, three Tesla employees allegedly were passing out literature to initiate organizing union efforts. The literature pointed to working conditions, the company's [confidentiality agreement](#) and employee rights under the [National Labor Relations Act](#). The UAW's charges allege that Tesla illegally told employees that they could not pass out any literature unless it was approved by the company.<sup>[49]</sup>

The Fremont plant has been unionized in the past, both when owned by [General Motors](#) (GM), and later by the [NUMMI](#) partnership of GM and [Toyota](#). While under UAW oversight, the plant closed once in 1982 (GM) and again in 2010 (NUMMI partnership).<sup>[50][51]</sup>

In May 2018, the [United Auto Workers](#) union filed a complaint with the National Labor Relations Board, seeking a federal investigation against Tesla for CEO Elon Musk's tweet apparently threatening worker stock options if they joined a union. Tesla responded that other car makers don't offer such stock options to union workers.<sup>[52][53]</sup> Minnesota Congressman Keith Ellison chastised Musk for "threats" of unlawful retaliation and presented a list of questions on union activities and worker safety records, asking for a response by June 15.<sup>[54]</sup>

## Working conditions and injury policies

Employees describe working at Tesla as [stressful](#) and [meaningful](#). In 2016, Tesla's employees averaged 30 years age, and 20% were female.<sup>[55]</sup>

On May 14, 2017, Tesla said that [Total Recordable Incident Rate](#) (TRIR, a measure of employee safety)<sup>[56]</sup> was higher for the previous years, and stated a TRIR of 4.6 for Q1 2017.<sup>[57]</sup> On May 18, 2017 [The Guardian](#) published a story about working conditions at Tesla Factory,<sup>[58]</sup> relayed by [CNBC](#).<sup>[59]</sup>



Former and current Tesla employees publicly expressed concerns about worker treatment. Between 2014 and 2017, ambulances went to Tesla's Fremont, California factory over 100 times to provide emergency services to workers exhibiting symptoms including fainting, dizziness, abnormal breathing and chest pains resulting from the physically demanding tasks associated with their positions. At the end of that period, Tesla Factory employed over 10,000 workers.<sup>[58]</sup>

Working conditions are in part a result of the company's ambitious production figures. The 2018 goal is to manufacture 500,000 automobiles, a 495% increase from 2016.<sup>[relevant? - discuss][58]</sup> Tesla has acknowledged that its recordable incident rate (TRIR), which measures work-related injuries and illnesses that have been reported to regulators, exceeded the industry average between 2013 and 2016.<sup>[57]</sup> Exact data was not released by Tesla over that period, because the company says the data is not representative of the factory's current operations.<sup>[58]</sup> In a statement, Tesla emphasized it is "building entirely new vehicles from the ground up, using entirely new technology, production, and manufacturing methods, and ramping them at high volume."<sup>[60]</sup>

Musk strongly defended Tesla's safety record and argued that the company had made significant improvement. In 2017, however, when [The Guardian](#) reached out to 15 current and/or former workers, each contradicted Musk's viewpoint. Jonathan Galescu, a production technician for the company, said, "I've seen people pass out, hit the floor like a pancake and smash their face open. They just send us to work around him while he's still laying on the floor."<sup>[58]</sup> In February 2017, Jose Moran, a Tesla worker, blogged about the company's practices of mandatory overtime, frequent worker injuries and low wages.<sup>[58]</sup> Both workers are involved with the UAW's current organizing campaign.<sup>[61][62]</sup>

Tesla's policies for dealing with injured employees were also criticized. In 2017, workers alleged that Tesla's policies got in the way of workers reporting injuries. At Tesla, workers who reported injuries were moved to lighter work and given access to supplemental insurance benefits. One injured worker reported that his pay went from \$22 an hour to \$10 an hour. To protect their incomes, many workers choose to work during their recovery from injury, in some cases inciting further damage and pain.<sup>[58]</sup>

In 2017, Tesla added extra shifts and safety teams to improve conditions. According to the company, "the average amount of hours worked by production team members has dropped to about 42 hours per week, and the level of overtime decreased by more than 60 percent" after improvements were made.<sup>[63]</sup> When *CNBC* requested comment about the issues, Tesla responded, "Tesla's safety record is much better than the industry average, but it is not enough. Our goal is to have as close to zero injuries as humanly possible and to become the safest factory in the auto industry."<sup>[59][57]</sup>

On May 24, 2017, California [Worksafe](#) responded to Tesla's TRIR numbers, showing higher rates (8.8) than industry average (6.7) for 2015.<sup>[64]</sup> OSHA reports that the incident rate at UAW-represented Ford plants has also exceeded the industry average in recent years.<sup>[65]</sup> In some cases, UAW-represented plants' incident rates were three or four times higher than the industry average.<sup>[65]</sup>

In April 2018, [CIR's Reveal](#) published an investigation concluding that Tesla under-counted worker injuries to make its safety record appear better. It included findings such as the factory floor not having clearly marked pedestrian lanes and instead having lanes painted different shades of gray because Elon Musk does not like the color yellow. In addition, other safety signals (such as signs and warning beeps) were lowered in order to please Musk's esthetic preferences.<sup>[66]</sup> Susan Rigmaiden, former environmental compliance manager, commented: "If someone said, 'Elon doesn't like something,' you were concerned because you could lose your job."<sup>[66]</sup> Tesla called Reveal's investigation an "ideologically motivated attack by an extremist organization working directly with union supporters to create a calculated disinformation campaign against Tesla."<sup>[67]</sup> Reveal responded by publishing the details of their investigation, which included interviews of more than three dozen current and former employees and managers as well as the review of hundreds of pages of documents.<sup>[66]</sup> Additionally, many of the interviewed safety professionals had no involvement in a unionization effort.<sup>[66]</sup> Tesla made no further response.

#### Illegal workers suit

[The Mercury News](#) in 2016 investigated the use of foreign construction workers to build Tesla's paint shop at Tesla Factory. A [whistleblower](#) federal lawsuit was filed, which was unsealed in the summer of 2017. The suit alleged that Tesla and other major automakers such as [Mercedes-Benz](#), [BMW](#) and [Volkswagen](#) illegally used foreign construction workers to build their U.S.

factories. Court documents and the journalistic investigation showed that at least 140 foreign workers worked on the factory expansion, some of whom had questionable work visas, for as little as five dollars per hour. The workers came mainly from [Eastern Europe](#) on “suspect visas hired through subcontractors.”<sup>[68]</sup>

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### **Ludicrous limited power output**

Certain Tesla vehicles equipped with its Ludicrous performance mode had limited power output, as discovered by some Tesla owners in 2017. The power limits were connected to how frequently the drivers used Launch Mode; if a driver used it too much, the car's power output was restricted to prevent excessive wear and tear on components. Customers complained and the company removed the limiter.<sup>[69]</sup>

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### **Software copyright infringement**

In May 2018, it was reported that Tesla had for five<sup>[70]</sup> or six<sup>[71]</sup> years been using other people's copyrighted software unlawfully, specifically engaging in [GPL violations](#). The [Software Freedom Conservancy](#) reportedly alerted Tesla to the issue repeatedly, but only in 2018 did Tesla begin to remedy its non-compliance with the software's license terms.<sup>[71][72][70]</sup>

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### **Lawsuit alleging sabotage**

On June 20, 2018, Tesla filed a civil lawsuit in Nevada against a former Tesla employee, who a few days before had been dismissed after allegedly confessing to hacking Tesla's Manufacturing Operating System and to transferring gigabytes of confidential, proprietary data to external, unknown entities.<sup>[73]</sup> By June 27, Tesla had been granted subpoenas compelling several companies that may be storing data for the former employee, including Apple, Microsoft, Google, Facebook and Dropbox to surrender any such data.<sup>[74]</sup> Also in late June, the ex-employee reacted by attempting to crowd-fund US\$500,000 for his legal defense and counter-suit.<sup>[75]</sup> As of mid-August, Tripp had retained legal counsel, and had either taken down, on advice of his lawyer, or been hacked, on each of his social media accounts.<sup>[76]</sup>

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### **Musk Twitter investigation**

In September 2018, the [U.S. Department of Justice](#) began investigating Tesla based on a tweet sent out by Elon Musk. In the tweet, Musk stated that he was considering taking the company private, and that he had "funding secured" to complete the deal. DOJ investigators requested company documents in September related to Musk's announcement, and the company complied with the requests.<sup>[77]</sup> The [Securities and Exchange Commission](#) launched its own investigation into Tesla and Musk as well. Musk's announcement came as a surprise to shareholders, and consequently the company's stock price rose by almost 11 percent; 17 days later, Musk said the proposal was dead. The volatile stock price movement resulted in multiple shareholder lawsuits.<sup>[77]</sup>

