



**Cadet Debt:**

March 25, 2009

## **Did Aggie Contributions Grease \$50 Million Enterprise Fund Deal?**

### **Perry, Dewhurst & Craddick Took \$1.4 Million From A&M PAC and Supporters**

Three years before Texas A&M University received a controversial \$50 million state grant to build a health-research facility, A&M supporters formed A&M PAC to overcome A&M's "tremendous disadvantage" in competing with other public universities that operated political action committees.<sup>1</sup> During the 2008 election cycle A&M PAC spent \$374,360, ranking among Texas' fastest-growing PACs. A&M PAC's 2008 expenditures shot up 481 percent from the \$64,461 that it spent in the 2006 cycle.

Top recipients of A&M PAC money include then-House Speaker Tom Craddick and Lieutenant Governor David Dewhurst, who along with Governor Rick Perry control the Texas Enterprise Fund (TEF) that the three state leaders tapped for A&M's \$50 million grant. In an unprecedented transaction, the state leaders shifted \$50 million from TEF to the Texas Emerging Technology Fund (ETF) on January 2, 2009—two days before Craddick acknowledged that he lacked the votes to retain his speakership. Three weeks later, on January 27, ETF signed an agreement to commit \$50 million in taxpayer funds to the A&M project. The largest grant that ETF previously awarded was one-fifth this size.

A&M PAC was busy in the build-up to these extraordinary transactions. During December 2008 it cut a \$5,000 check to Dewhurst and a \$10,000 check to then-Speaker Craddick. The Craddick check was the single largest contribution check that A&M PAC ever cut. Only Laredo Senator Judith Zaffirini, chair of the Senate Higher Education Committee, received a larger aggregate total of money from A&M PAC: \$12,000.

## Top Recipients of A&M PAC Money

Recipient	Party-Town	A&M PAC Donations 2006 Through 2008
Sen. Judith Zaffirini	D-Laredo	\$12,000
Rep. Tom Craddick	R-Midland	\$10,000
Rep. Warren Chisum	R-Pampa	\$5,500
Lt. Governor David Dewhurst	R	\$5,000
Rep. Lois Kolkhorst	R-Brenham	\$5,000
Rep. Geanie Morrison	R-Victoria	\$5,000
Sen. Steve Ogden	R-Bryan	\$5,000
Sen. Florence Shapiro	R-Plano	\$4,500
Sen. Kip Averitt	R-Waco	\$4,000
Sen. Robert Duncan	R-Lubbock	\$4,000
Sen. Troy Fraser	R-Horseshoe	\$4,000
Sen. Glenn Hegar	R-Katy	\$4,000
Sen. Mike Jackson	R-La Porte	\$4,000
Sen. Jane Nelson	R-Lewisville	\$4,000
Rep. David Swinford	R-Dumas	\$4,000
Sen. Jeff Wentworth	R-San Antonio	\$4,000
Sen. John Whitmire	R-Houston	\$4,000
Sen. Tommy Williams	R-Woodlands	\$4,000
Rep. Beverly Woolley	R-Houston	\$4,000

The same Aggie donors who have supported A&M PAC contributed a total of \$1,366,044 to the Perry, Dewhurst and Craddick campaigns during the 2006 and 2008 election cycles. They contributed another \$21,100 to Stars Over Texas PAC, which unsuccessfully worked to extend Craddick's reign as Speaker. The top recipient of this money was Governor Perry, the Aggie alumnus who exercises the most visible control over the two state development funds tapped on A&M's behalf.

## Politicians Controlling the Development Funds Received \$1.4 Million From A&M PAC Donors

Recipient	Amount
Rick Perry	\$939,486
David Dewhurst	\$390,100
Tom Craddick	\$36,458
Stars Over Texas PAC	\$21,100
<b>TOTAL:</b>	<b>\$1,387,144</b>

## Top Donors to A&M PAC, 2006 Through 2008

A&M PAC Total	Contributor	City	Business
\$21,000	Jon L Hagler	Dover, MA	Grantham Mayo Van Otterloo & Co.
\$30,000	William H. Flores	Houston	Phoenix Exploration/Gryphon Exploration
\$20,000	Raba Kistner PAC	San Antonio	Raba-Kistner Consultants, Inc.
\$20,000	San Antonio Steel Co.	San Antonio	San Antonio Steel Co.
\$20,000	Todd Routh	Austin	Developer
\$20,000	Trinity Industries Employee PAC	Dallas	Trinity Industries
\$20,000	Ralph & Joy Ellis	Irving	Belmont Oil & Gas Corp.
\$15,000	John H. Lindsey	Houston	Lindsey Insurance Agency
\$12,500	Erle A. Nye	Dallas	TXU Energy Corp.
\$11,000	Michael J./Nancy Shaw	Denver	Mike Shaw Automotive Automotive
\$10,000	Morris Foster	Houston	ExxonMobil Corp
\$10,000	James L. Huffines	Dallas	Huffines Auto Dealerships
\$7,000	John D. White	Houston	Jones Walker Law Firm
\$5,500	Oscar W. Schuchart	San Antonio	Retired Engineer
\$5,000	Randall L Hohlaus	San Antonio	Architect
\$5,000	James K.B. Nelson	Houston	Retired Consultant
\$4,000	Jack E. Little	Houston	Retired
\$4,000	Mike Hopkins	Brenham	Mike Hopkins Dist. Co.
\$3,500	Robert Allen	Houston	Robert H. Allen Investments
\$3,500	Perry Thompson	Tyler	Thompson & Associates engineer
\$3,500	Lowry & Peggy Mays	San Antonio	Clear Channel Entertainment

During a hearing on the grant this week, House Appropriations Committee Chair Jim Pitts<sup>2</sup> raised questions about the extent to which the A&M grant was a bailout for two troubled biotech companies: Introgen Therapeutics and XOMA, Ltd. The companies signed a memorandum of understanding with A&M last fall about potentially participating in its new research center.

Three donors with Introgen ties have contributed \$55,500 to Perry and \$2,342 to Craddick since 2005. Perry got \$50,000 of this money from David Nance, who just resigned as Introgen's president on March 11—three months after the company filed for bankruptcy. Introgen board member Bob Pearson, who also sits the Emerging Technology Fund Advisory Committee, gave \$2,500 to Perry. Pearson recused himself from matters related to the A&M grant, according to the *Austin American-Statesman*.<sup>3</sup>

## Introgen-Related Contributions, 2005 Through 2008

Contributor	Introgen Tie	Perry Total	Craddick Total	Dewhurst Total
David Nance	Resigned as President March 2009	\$50,000	\$0	\$0
William Cunningham	Board Member (ex-UT Chancellor)	\$1,000	\$2,342	\$0
Bob Pearson*	Board Member (Dell Vice President)	\$2,500	\$0	\$0
Charles Long	Board Member (Ex-Citibank vice chair)	\$2,000	\$0	\$0
<b>TOTALS</b>		<b>\$55,500</b>	<b>\$2,342</b>	<b>\$0</b>

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<sup>1</sup> “Texas universities have long-used political action committees (PACs) to promote their schools and become directly involved in politics or advocacy,” notes the A&M PAC website. “In contrast, the Texas A&M University System had never participated in the political arena through a PAC effort to complement its public information program—and had been working at a tremendous disadvantage. Seeking to address this inequality, the A&M PAC was formed in 2006.” See <http://www.tampuspac.org/Default.aspx>

<sup>2</sup> Pitts received \$1,500 from A&M PAC in December 2006.

<sup>3</sup> “Lawmaker Questions A&M Grant, Perry’s Role,” *Austin American-Statesman*, March 25, 2009.