



Taken for Granted:

February 13, 2013

O'Donnell Fingerprints Tied To Another CPRIT Scandal

Employers of CTNeT Directors Gave Politicians \$3.8 Million Since 2007.

Pathology reports on the \$25 million Statewide Clinical Trials Network of Texas (CTNeT), which received the state's largest cancer-treatment grant, describe lavish spending. CTNeT paid \$176,288 in bonuses and other perks to Chief Operating Officer Patricia Winger and paid individual board members \$9,000 *per quarter*.¹

When the Cancer Prevention and Research Institute of Texas (CPRIT) recently tried to recover \$1.3 million in such improper expenses from CTNeT, its leaders refused, arguing that CPRIT officials had approved the payments.² CTNeT leaders acted as if they were personally entitled to their state cancer funds. It was as if they believe that their CPRIT grant was bought and paid for. Perhaps it was.

Since CPRIT's creation in 2007 four of the 12 people known to have served on CTNeT's board made a total of \$19,400 in Texas political contributions.³ One of CTNeT's three founding board members, Carolyn Bacon Dickson, served as CTNeT's initial registered agent out of the same Dallas office where she serves as executive director of the O'Donnell Foundation.

That foundation's founder, Peter O'Donnell, invested in Peloton Therapeutics, which landed an \$11 million CPRIT grant in 2010. The *Dallas Morning News* reported that the grant bypassed CPRIT's normal peer reviews and that O'Donnell gave more than \$440,000 to the state officials who control CPRIT.

O'Donnell also gave \$1.5 million to the CPRIT Foundation, which subsidized the salaries of CPRIT officials, including ex-CTNeT directors William Gimson and Alfred Gilman.⁴ Now it turns out that the head of O'Donnell's Foundation helped establish CTNeT, which landed CPRIT's largest grant after receiving low scores in peer reviews.

Inspired by Dickson-O'Donnell, *Lobby Watch* also tracked contributions by the *employers* of CTNeT directors. Those employers gave almost \$3.8 million to Texas politicians since CPRIT's founding, including a total of \$901,442 to the three state leaders who control CPRIT. Employers of CTNet directors also gave the CPRIT Foundation \$1.7 million.

Direct Political Contributions by CNet Directors (2007 through 2012)

Texas Politicians Total	CPRIT Fdn. Total	CNet Director	Affiliation	City or State	Top Political Recipient
\$8,000	\$0	William T. Butler	Baylor College of Med.	Houston	Friends of Baylor Med
\$5,000	\$4,506	John D. Cullen	Capstar Partners	Austin	Susan Combs
\$4,400	\$0	Carolyn B. Dickson	O'Donnell Foundation	Dallas	Kay B. Hutchison
\$2,000	\$1,000	Alfred G. Gilman	U.T. SW Med. Ctr.	Dallas	SW Research & Medical PAC
\$0	\$0	Richard B. Gaynor	Eli Lilly & Co.	IN	NA
\$0	\$0	Sandra J. Horning	Roche/Genentech	CA/NJ	NA
\$19,400	\$5,506	TOTALS			

After O'Donnell, the most influential employer of a CNet director is R. Steven Hicks, the executive chair of Austin-based investment firm Capstar Partners (see CNet director John Cullen). Hicks has pumped more than \$600,000 into state political committees since 2007, led by the more than \$200,000 he gave to Governor Perry. In a recent interview Jennifer Stevens, the political operative who took over running CPRIT Foundation from CPRIT Chair Jimmy Mansour, said that the people who most influenced her career are "Jimmy Mansour, John Cornyn and Steve Hicks."⁵

Two CNet directors have led medical institutions that gave state politicians a total of \$723,750 (Baylor College of Medicine and U.T. Southwestern Medical Center). Lieutenant Governor David Dewhurst and Governor Perry have received the biggest checks from these

medical PACs. Finally, pharmaceutical giants Eli Lilly, Roche Group and Genentech (which Roche acquired in 2009) gave Texas politicians led by Dewhurst and Perry a total of \$677,650.

From 2006 through mid-2011 Rick Perry helped run the Republican Governors Association (RGA), which contributed an unprecedented \$4 million to Perry's gubernatorial campaigns in those years.⁶ During that period the RGA collected a total of \$1.2 million from units of Eli Lilly, Roche and Genentech.

CNet's leaders indignantly refused to return \$1.3 million in funds that CPRIT tried to recover. Perhaps CNet viewed these squandered taxpayer funds as its property because the employers of directors invested a fortune in the politicians who control CPRIT. •

Contributions by CNet Directors' Employers (2007 through 2012)

Texas Politicians Total	CPRIT Fdn. Total	Affiliated Contributor	City or State	Top Political Recipient
\$1,774,250	\$1,515,000	Peter O'Donnell (O'Donnell Fdn.)	Dallas	Tex. for Lawsuit Reform
\$642,799	\$5,000	R. Steven Hicks (Capstar Partners)	Austin	Rick Perry
\$575,150	\$52,500	Eli Lilly & Co. PAC	IN	Rick Perry
\$430,000	\$0	Friends of Baylor Medical PAC	Houston	David Dewhurst
\$293,750	\$22,500	SW Research & Medical PAC	Dallas	Rick Perry
\$62,500	\$142,500	Roche Group/Genentech PACs	CA/NJ	Rick Perry
\$3,778,449	\$1,737,500	TOTAL		

Top Recipients of Money From The Employers of CTNeT Directors (2007 through 2012)

Amount	Recipient
\$500,000	Texans For Lawsuit Reform PAC
\$376,100	* David Dewhurst /Buddy Barfield
\$341,342	* Rick Perry
\$279,803	Greg Abbott
\$197,000	Dan Branch
\$184,000	* Joe Straus /TX House Leadership Fund
\$122,800	Kay Bailey Hutchison
\$118,105	Susan Combs
\$73,500	Jane Nelson
\$53,000	Judith Zaffirini
\$49,500	Jim Pitts
\$42,500	Tom Craddick
\$30,500	John J. Carona
\$28,500	Bob Deuell
\$25,500	Royce West
\$25,000	Yes on 15 (2007 CPRIT initiative)
\$25,000	Harden Healthcare PAC (Capstar)
\$24,500	Tommy Williams
\$21,000	Lois W. Kolkhorst
\$20,500	Mex. Am. Legislative Caucus
\$18,500	Todd A. Hunter
\$18,000	John Zerwas
\$18,000	Robert L. Duncan
\$18,000	Kirk P. Watson
\$16,500	Garnet F. Coleman
\$16,000	Joan Huffman
\$16,000	Florence Shapiro
\$15,500	Linda L. Harper-Brown
\$15,000	Bill Keffer
\$15,000	Mark M. Shelton
\$15,000	Dan Patrick
\$15,000	TX Energy Assns. PAC (O'Donnell)
\$14,750	Angie C. Button
\$14,500	Brian 'Keith' Walker
\$14,500	Kelton G. Seliger
\$13,000	John Whitmire
\$13,000	Todd Staples
\$13,000	Christi L. Craddick
\$12,500	Susan King
\$2,829,900	SUBTOTAL

* Official with major influence over CPRIT.

Notes:

¹ "CPRIT, Plan's Flaws Similar," *Dallas Morning News*, February 3, 2013.

² "CPRIT Chief: Grant Misspent," *Austin American-Statesman*, February 7, 2013.

³ Six CTNet directors not associated with political contributions. They are Bruce A. Chabner, James H. Doroshow, William H. Gimson, Patrick J. Loehrer, Richard L. Schilsky and Robert C. Young (Gimson gave the CPRIT Foundation \$9,000).

⁴ "Gilman and Gimson reportedly did not receive the \$9,000 quarterly payments that CTNeT paid other board members. On CPRIT Foundation see, "Cancer Agency Received Funds from Investor in Firm Awarded Grant," *Houston Chronicle*, December 12, 2012.

⁵ "Journal Profile: Jennifer Stevens of JHL Co.," *Austin Business Journal*, October 26, 2012.

⁶ "[Crony Capitalism: The Republican Governors Association in the Perry Years](#)," Texans for Public Justice, September 2011.