

LOBBY WATCH



★ TEXANS FOR PUBLIC JUSTICE 609 W. 18TH ST., SUITE E, AUSTIN, TX 78701 PH: (512)472-9770 FAX: (512)472-9830

Did Peloton Win Fairly?

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Cancer Grant Recipient's Political Ties Metastasize

UT Southwestern PAC's Top Donors Gave \$1.6 Million to Perry, Dewhurst. Hunt-Hill Clan and Colleen McHugh Behind Peloton Investor RemediteX.

The biotech company that bypassed normal peer reviews to win an \$11 million state cancer grant had the kind of political connections that make such independent reviews indispensable.

Breaking the story on Peloton Therapeutics' irregular grant last week, the *Dallas Morning News* reported that Peloton investor Peter O'Donnell of Dallas contributed more than \$440,000 to Governor Rick Perry and Lieutenant Governor David Dewhurst since 2000. These officials control most appointments to the grant-making Cancer Prevention and Research Institute of Texas (CPRIT).¹

Peloton's political connections go beyond O'Donnell. The company has close personal and technological ties to Dallas-based UT Southwestern Medical Center. A political action committee affiliated with that hospital has invested \$228,250 in state politics since CPRIT's birth in 2007. It gave 20 percent of these funds to Perry and Dewhurst, who are the PAC's favorite politicians. Meanwhile, the top 12 contributors to Southwestern Research & Medical PAC have contributed \$211,000 to House Speaker Joe Straus, \$612,734 to Dewhurst and \$986,078 to Perry just since 2007 (see table below).

Apart from Peter O'Donnell, top donors to UT Southwestern Medical Center's PAC include oil tycoon H.L. Hunt's grandchildren Al Hill, Jr. and Lyda Hunt Hill. Lyda Hunt Hill and Clay M. Hunt sit on the board of Peloton investor RemediteX Ventures.² That Dallas-based venture capital fund's top executives—CEO John Creecy and President Brett Ringle—both are former Hunt Petroleum executives.³

Joining Lyda Hunt Hill on RemediteX's board is Colleen McHugh. Acting as Perry's personal attorney in 2001, McHugh filed a protest that lowered the tax appraisal of a lot that Perry owned on Lake LBJ from \$414,700 to \$313,762.⁴ McHugh's protest saved Perry from having to pay local governments an additional \$14,000 over the next six years. Perry later appointed McHugh to the Public Safety Commission and the U.T. System Board of Regents, which oversees the Medical Center.

RemediteX Chief Scientific Officer Dennis Stone is UT Southwestern's former vice president of technology development. He previously served as vice chair of the Life Science Commercialization Center at the Texas Emerging Technology Fund, the state's venture capital fund that also has been dogged by allegations of political cronyism.⁵

Top Contributors to UT Southwestern's PAC (2007 to Sept. 27, 2012)

RAMPAC Amount	Contributor	Affiliation	Perry Amount	Dewhurst Amount	Straus Amount*
\$52,500	Harlan R. Crow	Crow Holdings	\$55,230	\$109,234	\$50,000
\$13,500	Kern Wildenthal	UT Southwestern Med. Ctr.	\$0	\$0	\$0
\$12,000	Daniel K. Podolsky	UT Southwestern Med. Ctr.	\$0	\$0	\$0
\$10,000	Harold C. Simmons	Contran Corp.	\$680,000	\$225,000	\$46,000
\$10,000	Al G. Hill Jr.	A.G. Hill Partners	\$20,000	\$12,000	\$12,500
\$10,000	Peter/Edith O'Donnell	O'Donnell Foundation	\$35,000	\$125,000	\$90,000
\$7,500	Louis A. Beecherl	Beecherl Co's	\$93,000	\$101,000	\$10,000
\$7,000	Lyda Hunt Hill	LH Holdings	\$1,000	\$2,500	\$1,500
\$6,000	Carl Sewell	Sewell Automotive Cos	\$15,000	\$10,000	\$0
\$5,500	Jess/Betsy Jo Hay	HCB Enterprise, Inc.	\$0	\$0	\$0
\$5,000	Jere Thompson Sr.	Southland Corp.	\$1,000	\$3,000	\$1,000
\$5,000	Thomas O. Hicks	Hicks Holdings	\$85,848	\$25,000	\$0
\$144,000	TOTALS		\$986,078	\$612,734	\$211,000

*Straus amount includes contributions to the Texas House Leadership Fund.

One top contributor to UT Southwestern's PAC is Dr. Kern Wildenthal. Wildenthal stepped down as president of the Medical Center in 2008 to become the institution's chief fundraiser. He resigned from that post earlier this year after an audit found that he used "questionable judgment" in handling expenses and spent public funds for personal travel abroad despite an annual salary that exceeded \$1 million.⁶

Wildenthal helped the Medical Center raise almost \$2 billion. One of his favorite fundraising tactics was to match medical center scientists with prospective donors.⁷ Such pairings could have prompted some donors to invest in related technologies, as O'Donnell appears to have done with Peloton. These relationships become ethically troubling when such investors double as major sponsors of the politicians who control CPRIT.

Pelotons should be stripped of their titles—and their purses—when they lie about drug use or bypass peer review.

Top Recipients of Money From UT Southwestern's PAC (2007 to Sept. 27, 2012)

Amount	Recipient
\$25,000	Governor Rick Perry
\$20,000	Lt. Governor David Dewhurst
\$16,000	Rep. Tom Craddick
\$15,000	Speaker Joe Straus
\$11,000	Sen. Royce West
\$11,000	Rep. Dan Branch
\$10,000	Comptroller Susan Combs
\$9,000	Sen. Florence Shapiro
\$8,000	Sen. John J. Carona
\$7,000	Rep. Lois W. Kolkhorst
\$7,000	Rep. Jim R. Pitts
\$6,000	Sen. Judith Zaffirini
\$5,000	Rep. Burt Solomons
\$5,000	Sen. Wendy R. Davis
\$4,000	Sen. Robert L. Duncan
\$4,000	Sen. Chris Harris
\$4,000	Rep. Eric L. Johnson
\$4,000	Sen. Jane Nelson

Top Recipients of Hunt-Hill Clan Cash (2007 to Sept. 27, 2012)

Amount	Recipient
\$160,000	Gubernatorial candidate Kay B. Hutchison
\$113,000	Dallas Co. Republican Party
\$102,500	Associated Republicans of TX
\$50,350	Attorney General Greg Abbott
\$37,000	Rep. Dan Branch
\$36,000	Railroad Com. Barry Smitherman
\$25,500	Ebby Halliday Centennial Fund
\$25,000	Comptroller Susan Combs
\$23,000	John J. Carona
\$23,000	Texans For Lawsuit Reform PAC
\$21,000	Governor Rick Perry
\$20,000	Texas Oil & Gas PAC
\$17,500	Southwestern Research & Medical PAC
\$17,500	Jane Nelson
\$17,500	David Dewhurst
\$14,000	Speaker Joe Straus
\$10,500	Ex-Sen. Todd Staples
\$10,000	TX Energy Associations PAC

Money from Al Hill Jr., Clay Hunt, Lyda Hill and Caroline R. Hunt.

Notes

¹ "Big Grant Not Reviewed," *Dallas Morning News*, November 30, 2012.

² Remeditex Ventures LLC controls a subsidiary called Remeditex Incentive, LLC.

³ Creecy married Apace Corp. Vice President Janice Hartrick in 2006. In 2010 he formed a company, HTEPS6, LLC, with former Dallas County Judge Margaret Keliher.

⁴ "Reappraising the Governor," *Texas Observer*, May 29, 2009.

⁵ "Perry Mines Texas System to Raise Cash," *New York Times*, August 20, 2011. "State's Cancer-Fighting Agency Funded Projects of Perry Campaign Contributor," *Dallas Morning News*, November 17, 2012.

⁶ "UT System Report Faults Ex-UTSW Chief Kern Wildenthal's Spending," *Dallas Morning News*, April 24, 2012.

⁷ "Wildenthal Built Himself into Fundraising Powerhouse," *Dallas Morning News*, April 29, 2012.