The Known Unknown: May 1, 2014

Empower Dominates Texas’ Dark Money
Charter-School Group Ranks No. 2

Non-profit Empower Texans spent $517,707 so far this election cycle, accounting for 57 percent of the state’s $912,339 in direct political expenditures. The group pushes conservative Republicans to replace moderates, especially those loyal to House Speaker Joe Straus.

New York’s Education Reform Now Advocacy ranked No. 2, spending $114,065 (13 percent) on ads and calls backing pro-charter Democrats. It promoted House candidates Naomi Gonzalez, Marisa Marquez and Ramon Romero, as well State Board of Education candidate Erika Beltran. The Walton Family Foundation gave Education Reform Now $2.8 million in 2013.

Trade groups representing banks, chemical, construction, energy and Realtor interests formed the No. 3 Texas Future Business Alliance, which spent $74,456. Favoring state infrastructure investments, the Alliance defends the moderate Republicans whom Empower attacks. With Empower outspending it 7:1, the Alliance recently began operating through its transparent Texas Future PAC.

The U.S. Supreme Court’s 2010 Citizens United ruling allows non-profits and other corporations to spend unlimited amounts of money on ads promoting or attacking candidates. The Texas Ethics Commission requires dark-money entities to disclose their expenditures.

The Ethics Commission also has been investigating complaints alleging that Empower’s non-profit failed to file disclosures and that Empower President Michael Quinn Sullivan must register as a lobbyist. Empower has gone to court to fight related Commission subpoenas about Empower’s targeting of candidates and its secret contributors.

The Ethics probe may be scaring off Empower supporters who don’t want to be unmasked as foes of the speaker. The graph below compares what Empower’s transparent PAC and its dark-money non-profit both spent. Empower’s overall spending quintupled in the 2014 cycle to $2.3 million. Although 77 percent of Empower’s 2012 money was dark, its transparent PAC has accounted for 77 percent of all Empower spending so far this cycle.
Empower Texans PAC obtained 98 percent of its money so far this cycle from Empower’s founder: Midland oilman Tim Dunn.⁵ There is little reason for Dunn and fellow Empower PAC donor Jeff Davis Sandefer to resort to dark money. Straus already knows that these men put a price on his head. But some dark-money contributors are more averse to sunlight.

No. 4-ranked Genevieve Van Cleve of Austin spent $67,848 on mailers endorsing Houston Mayor Annise Parker. Van Cleve is a Democratic activist whose spouse is on the board of the Texas Observer’s foundation.

Like the Texas Future Business Alliance, No. 5 Keep Texas Working spent $44,245 on moderate Republicans willing to invest in roads, water and education.

The Texas Organizing Project (TOP) reported spending a total of $30,430 through two Ethics Commission accounts. After the Association of Community Organization for Reform Now (ACORN) folded in 2010, some of its leaders helped formed TOP.⁶

TOP’s biggest account (Ethics filer No. 68725) spent close to $26,000 opposing four City of Pasadena propositions in late 2013. The most important one converted two of the city’s eight district-based council seats into citywide races. MALDEF and other critics argued that this will dilute minority representation.

Another TOP account (No. 67485) reported spending $4,439 in dark money to back four Pasadena City Council candidates.⁷
The Lost Creek Neighborhood Association, the last significant direct-expenditure entity, spent $18,000 to help pass a May 2013 initiative to downsize a municipal utility district. Voters agreed to give the City of Austin control over local water and wastewater lines.8.

Empowerful Michael Q. Sullivan

Notes

5 From January 2013 through February 25, 2014, Empower Texans PAC raised $1,978,048, including $1,937,500 from Dunn. For more on Dunn see Saving Speaker Craddick, Texas Observer, January 25, 2008.
6 For more on the Texas Organizing Project and Empower Texans, see the “dark money” section of TPJ’s Texas PACs report.
7 TOP’s Pasadena City Council candidates were Don Harrison, Richard Serna, Cody Ray Wheeler and Omaldo Ybarra.
8 Their local district continued to manage a community center and green space.