

LOBBY WATCH



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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.¹ 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.² With Empower outspending it 7:1, the Alliance recently began operating through its transparent Texas Future PAC.³

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.⁴

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.

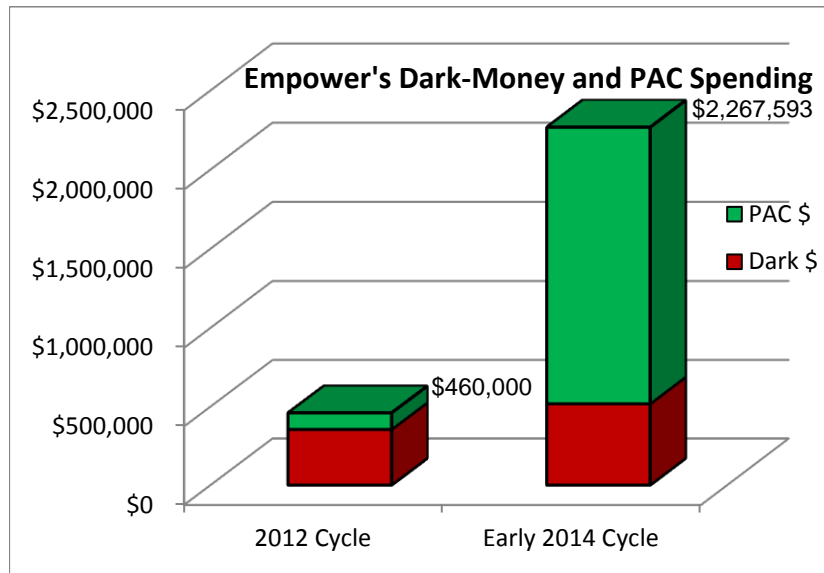
No. 4-ranked Genevieve Van Cleve of Austin spent \$67,848 on mailers endorsing Houston Mayor Annise Parker. Van Cleve is a Democratic activist whose spouse is on the board of the *Texas Observer's* [foundation](#).

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



Top Texas Direct-Expenditure Groups (Covering January 2013 to April 22, 2014)

Total Spent	% of Total	Direct-Money Spender
\$517,707	57%	Empower Texans (Texans for Fiscal Respon.)
\$114,065	13%	Education Reform Now Advocacy
\$74,456	8%	Texas Future Business Alliance
\$67,848	7%	Genevieve Van Cleve
\$44,245	5%	Keep Texas Working
\$30,430	3%	Texas Organizing Project (TOP)
\$18,000	2%	Lost Creek Neighborhood Assn.
\$4,883	1%	Matt Shaheen Campaign
\$3,545	<1%	United Educators Assn.
\$2,811	<1%	Mary Kay Inc.
\$2,687	<1%	NARAL Pro-Choice America
\$2,450	<1%	Houston Professional Fire Fighters Assn.
\$1,177	<1%	Republican Party of Texas Federal Committee
\$1,096	<1%	Montgomery County Tea Party
\$953	<1%	Brady/McCulloch Co. Chamber of Commerce
\$749	<1%	Texas Freedom Network
\$626	<1%	Dallas Regional Chamber
\$504	<1%	It's OK to Vote NO on WOISD Bond

Data from [Texas Ethics Commission](#) (duplicate expenditures deleted).

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

¹ "Dark Money Takes Root in Texas," *San Antonio Express-News*, April 26, 2014.

² "[Texas Business Groups Ally to Counter Tea Party Influence in GOP Primaries](#)," *Dallas Morning News*, January 4, 2014. "[Texas Business Group Helps 32 Lawmakers in Push Back Against Tea Party Fiscal Hawks](#)," *Dallas Morning News*, January 14, 2014.

³ "Business Group Forms New Committee, Still Playing in Primaries," *Dallas Morning News*, February 12, 2014.

⁴ "Texas Conservative: Keep Donors Secret," *Austin American-Statesman*, March 1, 2014. "Conservative Power Broker Fights Lobbyist Designation," *Dallas Morning News*, March 25, 2014.

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.