

LOBBY WATCH

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Cowboys Without *Cojones*:

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Empower PAC Can't Find Real Men To Openly Fight Speaker Straus

Night-Riding Nonprofit's Secretive Sheets Cloak Source of \$333,066 in Political Funds

Whither Texas' macho manhood of yore?

In 1898 Teddy Roosevelt swaggered into the Menger Hotel bar near the Alamo and walked out with the Rough Riders who drove Spain out of Cuba.

Eleven decades later Midland oilman Tim Dunn called on Texans to openly challenge the urbane insurance executive who took the Texas House from manly Midland Speaker Tom Craddick. Today Dunn and his Empower Texans group have a posse. But most of their money comes from one or more donors who only will oppose Speaker Joe Straus when their identities are masked. This is sad for a group whose very name suggests an antidote for impotence.

Empower Texans reported \$406,645 in political expenditures in the first half of this year. Just 18 percent of this money moved through Empower's



Real Texas men hail from a withering gene pool.

PAC, which discloses its donors. Empower's corporate, non-profit arm—which does not disclose contributors—accounted for the remaining 82 percent of Empower's political spending.

Dunn and Empower previously backed anti-Straus conservative Republicans in the House and attacked pro-Straus GOP moderates. Going further this time, they bankrolled GOP challenger Matt Beebe's failed effort to knock Straus out of the House altogether.

Top Donors To Straus Challenger Matt Beebe

Amount	Contributor	City	Employer/Identification
\$87,945	Thomas Owens	Beaumont	Conservative activist
\$40,000	Tim Dunn	Midland	CrownQuest /Enerquest Oil
\$2,844	Sheila Bean	San Antonio	San Antonio Aviation
\$2,500	Joel Trammell	Austin	NetQos (computer co.)
\$2,220	Empower Texans	Austin	Empower Texans PAC
\$1,500	Mary Boland	Novi, MI	Relative of Matt Beebe
\$1,200	Jean Parsons	San Antonio	Tea Party activist
\$1,000	Jerry Adams	San Antonio	Gans Ink & Supply
\$1,000	Robert Lowry	Fair Oaks	Doctor

Note: This accounts for 89 percent of the \$157,496 that Beebe reported.

Openly attacking the Speaker takes bigger *cojones* than most modern Texans muster. *Lobby Watch* went on a manhunt to identify anybody who openly gave \$1,000 or more this cycle to Beebe's campaign or to Empower Texans PAC. We found just 11 people who openly funded these anti-Straus efforts. Three of them turned out to be women.

Two donors far outside the district that Beebe and Straus fought to represent account for four-fifths of the \$157,496 that Beebe raised. (Rep. Straus represents part of the Alamo City where Texas' martyrs died.)¹ Beebe's No. 1 donor, Beaumont activist Thomas Owens, is known for spirited attacks on liberals and gays, as well his rewrites of Texas school textbooks.²

Beebe's No. 2 donor is Empower Texans' founder Tim Dunn. This low-profile activist has ties to a Who's Who of Texas conservative organizations.³ When Governor Perry and the legislature unveiled a new business tax in 2006, Dunn reportedly fought back by creating Empower Texans.⁴ Dunn and Empower invested heavily in first defending—and then seeking to revenge—the rule of conservative former Speaker Tom Craddick. Many Empower PAC donors also gave to Beebe or to the recent Railroad Commission race of Craddick's daughter, Christi.⁵

Empower Texans PAC Money By Cycle

Election Cycle	Amount Raised
2008	\$718,780
2010	\$160,487
2012*	\$97,425
TOTAL:	\$976,692

*As of July 2012.

Since it formed in 2007, Empower Texans PAC has raised close to \$1 million. Yet the PAC's donations peaked early, back when Texas GOP sugardaddies James Leininger and Bob Perry paid its bills.

In its first election in 2008, Empower Texans attacked a Texas House candidate with [racist blackbird ads](#). As Empower's tactics became known, open support dried up. By the 2012 cycle, when it financed Straus' challenger, just four people openly gave this PAC at least \$1,000 (listed in **red** below).

Top Donors to Empower Texans PAC, 2007 to July 2012

Amount	Contributor	City	Affiliation	Latest Donation
\$394,000	Tim M. Dunn	Midland	CrownQuest/Enerquest Oil & Gas	3/7/12
\$200,000	James/Cecelia Leininger	San Antonio	Kinetic Concepts, Inc. (hospital beds)	10/15/08
\$95,000	Bob/Doylene Perry*	Houston	Perry Homes	9/22/08
\$86,000	Jeff Davis Sandefer*	Austin	Sandefer Capital (energy investments)	3/5/12
\$81,494	Ken Legler Campaign	Houston	House member	10/23/08
\$33,813	Empower Texans nonprofit	Austin	Corporate funds from non-profit arm	12/30/09
\$15,000	Howard Cox	Boston MA	Greylock Partners (venture capital)	5/5/10
\$6,500	Stefani Carter Campaign	Dallas	House member	4/21/10
\$5,000	Carl Isett Campaign	Lubbock	House member	1/26/10
\$3,000	Tom Craddick Campaign*	Midland	House member	12/10/08
\$2,700	Martin Gibson	Cedar Hill	Patton Boggs/SNR Denton	12/23/10
\$2,597	Todd Korth	Woodlands	Community Health Systems, Inc.	12/29/09
\$2,243	Dee Margo Campaign	El Paso	House member	11/4/08
\$2,205	Michael Sullivan	Austin	Empower Texans President	6/17/10
\$2,100	Dr. J.H. Bertheau	Lake Jackson	Michael Sullivan's late father-in-law	9/22/08
\$2,000	Caroline Davy Altheide	Corpus	Dunn-McCambell Royalty Interest (oil)	6/18/08
\$1,500	Ernest Angelo, Jr.*	Midland	Discovery Exploration (oil)	5/13/12
\$1,050	James Skaggs	Austin	Tracor (defense)	7/29/10
\$1,000	Craig Goldman Campaign	Fort Worth	House candidate	2/19/08
\$1,000	David Y. Rogers	Midland	Rogers & Clark Exploration (oil)	7/2/09
\$1,000	Paul M. Strunk*	Corpus	American Shoreline, Inc. (oil)	11/13/07
\$1,000	Nicholas C. Taylor*	Midland	Mexco Energy Corp.	5/11/12
\$1,000	Joel Trammell	Austin	NetQos (computer network tech.)	3/30/10
\$1,000	United Services Auto. Assn.	San Antonio	USAA insurance	7/2/09

* Also gave to the recent Railroad Commission race of ex-Speaker Craddick's daughter, Christi Craddick.

Color Code: Donor last gave in: **2012 cycle**; 2010 cycle; 2008 cycle (list covers 96 percent of PAC's funds).

Three of these four donors are Midland oilmen: Dunn, ex-Midland Mayor Ernest Angelo and Nicholas Taylor (the father of [Rep. Van Taylor](#) has kept Tom Craddick on his oil company's board). Austin energy investor Jeff Davis Sandefer is Empower PAC's No. 2 donor in recent years. Sandefer is best known for his controversial ideas to overhaul Texas' universities.⁶

As a hard-hitting group that few Texans have the guts to openly support, Empower Texans has an interest in hiding the identities of the individuals or corporations funding its political punches. The vehicle for this subterfuge is Empower Texans, Inc., a non-profit corporation that does not disclose its donors.⁷

The U.S. Supreme Court's 2010 *Citizens United* decision opened the door to groups such as Empower Texans to make unlimited, independent political expenditures. In the first half of 2012 Empower Texans PAC reported that it spent \$73,579 to benefit 29 legislative candidates—duly disclosing the sources of those funds. During the same period, Empower Texans, Inc. reported spending \$333,066 to benefit 31 candidates (five times what its more transparent PAC spent).

Empower's non-profit corporation has not revealed which contributors (or lone donor) supplied this cash. In the new *Citizens-United* world, this is legal—

provided that Empower does not coordinate its activities with candidates.

After being attacked by Empower Texans, two Republican House members filed a complaint with the Texas Ethics Commission in April. That pending complaint by Reps. Jim Keffer and Vicki Truitt alleges that Empower Texans President Michael Sullivan failed to register as a lobbyist and failed to disclose the money he spent attacking and endorsing candidates.⁸ A month later Empower Texans, Inc. began disclosing its political expenditures to the Ethics Commission—without reporting the source of its funds (Empower's corporate [filings](#) are separate from those filed by its PAC).⁹

Reflecting its keen interest in the House Speaker, Empower's PAC and corporation sunk 95 percent of their combined 2012 expenditures into 30 House candidates (they spent the remainder on five Senate candidates). In their biggest expenditure, the two entities spent \$82,169 on Matt Beebe's failed bid to unseat Speaker Joe Straus.

Empower's two arms invested 86 percent of their combined political expenditures in non-incumbents. Newcomers are more likely to shake up the status quo in general—and the Speaker's race in particular (the 150 Texas House members elect their speaker at the start of each biennial session).

Empower Texans' 2012 Spending By Office

Office	Candidates	Seats	Nonprofit Amount	PAC Amount	Total Amount	Percent of Total
House	30	29	\$315,762	\$71,977	\$387,739	95%
Senate	5	4	\$17,304	\$1,602	\$18,906	5%
TOTALS	35	33	\$333,066	\$73,579	\$406,645	100%

Empower Texans' 2012 Spending By Candidate Running Status

Office	Candidates	Nonprofit Amount	Nonprofit Percent	PAC Amount	PAC Percent	Total Amount	Percent of Total
Challenger	13	\$216,602	65%	\$23,979	33%	\$240,581	59%
Open Seat	13	\$80,394	24%	\$28,171	38%	\$108,565	27%
Incumbent	9	\$36,070	11%	\$21,429	29%	\$57,499	14%
TOTALS	35	\$333,066	100%	\$73,579	100%	\$406,645	100%

Candidates Backed By Empower Texans in the First Half of 2012

Total Amount	Nonprofit Amount	PAC Amount	Candidate	Office-District	Running Status	Primary Vote
\$82,169	\$77,950	\$4,219	Beebe, Matt	H-121	Challenger	37%
\$43,201	\$39,033	\$4,168	Spitzer, Stuart	H-4	Challenger	46%
\$42,369	\$40,198	\$2,171	Clardy, Travis	H-11	Challenger	*51%
\$38,483	\$36,326	\$2,157	Capriglione, Giovanni	H-98	Challenger	56%
\$30,276	\$24,455	\$5,821	Landtroop, Jim	H-88	Incumbent	*46%
\$26,126	\$21,493	\$4,633	Klick, Stephanie	H-91	Open Seat	*54%
\$15,791	\$9,847	\$5,944	Leach, Jeff	H-67	Open Seat	*53%
\$11,534	\$10,154	\$1,380	Springer, Drew	H-68	Open Seat	*56%
\$9,219	\$5,471	\$3,748	Stickland, Jonathan	H-92	Open Seat	60%
\$8,988	\$6,828	\$2,160	Turner, Scott	H-33	Open Seat	58%
\$8,892	\$6,882	\$2,010	Goldman, Craig	H-97	Open Seat	55%
\$8,810	\$8,653	\$157	Hancock, Kelly	S-9	Open Seat	65%
\$8,696	\$4,948	\$3,748	White, James	H-19	Challenger	55%
\$8,441	\$6,538	\$1,903	Rinaldi, Matt	H-115	Open Seat	27%
\$7,866	\$5,705	\$2,161	Perry, Charles	H-83	Incumbent	71%
\$7,670	\$5,509	\$2,161	Toth, Steve	H-15	Challenger	56%
\$6,684	\$2,499	\$4,185	Simpson, David	H-7	Incumbent	62%
\$5,894	\$5,894	\$0	Campbell, Campbell	S-25	Challenger	*66%
\$5,490	\$3,480	\$2,010	Keffer, William	H-114	Open Seat	48%
\$4,376	\$2,201	\$2,175	Christian, Wayne	H-9	Incumbent	*48%
\$3,808	\$1,858	\$1,950	Krause, Matt	H-93	Challenger	51%
\$3,456	\$1,496	\$1,960	Vickery, Bobby	H-8	Challenger	38%
\$2,975	\$0	\$2,975	Hughes, Bryan	H-5	Incumbent	78%
\$2,617	\$607	\$2,010	Zedler, Bill	H-96	Incumbent	63%
\$2,392	\$428	\$1,964	Flynn, Dan	H-2	Incumbent	60%
\$2,245	\$284	\$1,961	Simmons, Ron	H-65	Open Seat	62%
\$2,100	\$0	\$2,100	Sanford, Wm. Scott	H-70	Open Seat	61%
\$1,500	\$1,500	\$0	Jones, Elizabeth A.	S-25	Challenger	31%
\$1,445	\$0	\$1,445	Herblin, Jim	S-30	Challenger	35%
\$1,258	\$1,258	\$0	Rives, Randy	S-31	Challenger	24%
\$632	\$632	\$0	Sevilla, Tony	H-11	Challenger	7%
\$610	\$610	\$0	Bonin, Troy	H-3	Open Seat	17%
\$319	\$154	\$165	Fallon, Patrick	H-106	Open Seat	71%
\$175	\$175	\$0	Miller, Sid	H-59	Incumbent	*45%
\$138	\$0	\$138	Schwertner, Charles	H-20	Incumbent	75%
\$406,645	\$333,066	\$73,579	TOTALS			

* Percentage of vote in Republican Primary *runoff*.

When political expenditures by Empower's corporation and PAC are combined, 55 percent of this spending benefitted candidates who survived the primary (or runoff); 45 percent went to primary losers.

Empower Texans' 2012 Spending By Primary Outcome

Primary Outcome	Candidates	Nonprofit Amount	PAC Amount	Total Amount	Percent of Total
Won	22	\$173,738	\$49,878	\$223,616	55%
Lost	13	\$159,328	\$23,701	\$183,029	45%
TOTALS	35	\$333,066	\$73,579	\$406,645	100%

2012 Incumbents Targeted By Empower Texans (Winners In Bold)

Money Spent Against	Incumbent	Office-Dist.	Primary Vote
\$82,169	Joe Straus	H-121	63%
\$43,201	Lance Gooden	H-4	54%
\$43,833	*Chuck Hopson	H-11	49%
\$38,483	*Vicki Truitt	H-98	44%
\$8,696	Mike Hamilton	H-19	45%
\$7,670	*Rob Eissler	H-15	44%
\$7,394	Jeff Wentworth	S-25	34%
\$3,808	Barbara Nash	H-93	38%
\$3,456	*Byron Cook	H-8	62%
\$1,445	Craig Estes	S-30	65%
\$1,258	Kel Seliger	S-31	76%
\$241,413	TOTAL		

*Straus-Appointed Committee Chair.

Although Empower Texans spent a little more money on primary winners than losers, Straus is not the only surviving House lawmaker that the group targeted. Its potential enemies list includes the speaker, two other House members and two Senators.

Despite the fact that Empower's PAC does disclose contributors, one donor proved to be a cipher. Empower PAC reported that "Harold Cox" of Boston contributed \$15,000 in 2010. A Harold Cox who is Boston University's assistant dean of public health told *Lobby Watch* that he never backed Empower. Researchers then zeroed in on the address of Empower's mystery donor. This revealed that *Howard Cox* of venture capital firm Greylock Partners uses that address to make large contributions to GOP PACs and candidates.¹⁰ •

Notes

¹ Sons and daughters of Texas, did they die in vain?

² "[Political Extremism and Curriculum Standards](#)," Texas Freedom Network, June 20, 2009.

³ "[Saving Speaker Craddick](#)," *Texas Observer*, January 24, 2008.

⁴ "Activist Presses Lawmakers on Fiscal Discipline," *Austin American-Statesman*, September 24, 2007.

⁵ Beebe took money from Empower Texans and from Empower donors Tim Dunn and Joel Trammell. The one-fourth of Empower PAC's top donors who gave to Christi Craddick are flagged with an asterisk in the accompanying table.

⁶ Sandefer would invest less in research and closely tie professor compensation to student evaluations of teachers. "Redefining School," *Austin American-Statesman*, May 8, 2011. "Teach This," *Austin American-Statesman*, September 22, 2002.

⁷ Since 2007 Empower's non-profit corporation has contributed \$33,813 to the Empower Texans PAC. A Texas PAC only can legally spend such corporate funds on non-political administrative overhead costs.

⁸ "Fiscal Group Focus of Pair," *Austin American-Statesman*, April 4, 2012.

⁹ Empower Texans PAC is Ethics Commission filer No. 00061927; Empower Texans, Inc. is No. 00068517.

¹⁰ The address is 15 Congress St., Boston MA 02109. Empower further obfuscated this donor by listing his occupation as "District Sales Mgr." *Lobby Watch* believes Empower erroneously copied that information over from contributor "Charles Cox" of Sugar Land.