



Public-Private Partnership:

April 8, 2013

Texas GOP and Its Big Three Bag Enterprise-Fund Millions

Companies Winning \$307 Million in State Awards Contribute \$5.3 Million to Perry, Dewhurst, Straus and Their Party

The Republican Party of Texas and three state politicians who control the Texas Enterprise Fund (TEF) collected \$5.3 million in political money from donors affiliated with \$307 million in Enterprise Fund grants.

An analysis of 106 Enterprise Fund awardees finds that political committees, executives or investors¹ associated with 38 state-funded projects contributed \$3.6 million since 2000 to Governor Rick Perry, Lieutenant Governor David Dewhurst and House Speaker Joe Straus—the very officials who oversee TEF. TEF-linked contributors gave almost \$1.7 million more to the Republican Party of Texas.

The No. 1 recipient of TEF political funds is Governor Perry, who lobbied to create this taxpayer-financed job fund in 2003. The governor has collected more than \$2 million in TEF-tied contributions, up from the \$1.7 million that he had collected two years ago.²

Perry’s top TEF contributor is Houston Texans owner Robert McNair, a major investor in

Lexicon Pharmaceuticals. Lexicon is a partner in the Texas Institute for Genomic Medicine (TIGM), which received an unsurpassed \$50 million TEF award in 2005.³ TIGM is a prime example of how TEF fabricates its job-creation claims.⁴

Dewhurst collected \$1.3 million in TEF money. His top TEF contributor is James Leininger, who invested in TIGM and the biotech firm Gradalis, Inc. Gradalis’ investors made huge investments in Dewhurst and Perry and then landed unprecedented grants from three major Texas slush funds.

Big Recipients of Enterprise-Fund Cash

Recipient	Enterprise Fund Contributions	Top TEF Contributor
Rick Perry	\$2,053,449	Robert McNair
Repub. Party of TX	\$1,674,827	James Leininger
David Dewhurst	\$1,314,090	James Leininger
Joe Straus	\$232,800	Robert McNair
TOTAL:	\$5,275,166	

Enterprise Fund-Tied Donations to Top Officials and Their Party

Total Since 2000	TEF Recipient (Award Year)	Perry Total	Dewhurst Total	Straus Total	TX GOP Total	TEF Award
\$1,888,630	G-Con, LLC ('10)	\$412,053	\$387,500	\$3,500	\$1,085,577	\$3,000,000
\$1,428,343	TX Instit. Genomic Medicine ('05)	\$562,500	\$385,843	\$48,000	\$441,000	\$50,000,000
\$583,786	McLane Advanced Tech. ('09)	\$312,866	\$244,920	\$6,000	\$20,000	\$1,000,000
\$165,000	Sanderson Farms ('06)	\$165,000	\$0	\$0	\$0	\$500,000
\$137,500	Dow Chemical Co. ('12)	\$38,500	\$24,500	\$7,000	\$67,500	\$1,000,000
\$130,400	Centene Corp. ('12)	\$60,200	\$55,200	\$15,000	\$0	\$1,381,500
\$104,750	Rackspace Hosting ('07)	\$55,000	\$15,000	\$34,750	\$0	\$22,000,000
\$104,150	Baylor College of Medicine ('04)	\$47,050	\$43,100	\$14,000	\$0	\$2,000,000
\$96,350	Lockheed Martin ('07)	\$36,750	\$3,500	\$4,000	\$52,100	\$5,480,000
\$95,350	Texas Instruments ('04)	\$54,300	\$18,500	\$22,550	\$0	\$50,000,000
\$72,500	Nationwide Insurance Co. ('09)	\$38,500	\$22,000	\$12,000	\$0	\$2,500,000
\$43,050	UT MD Anderson ('05)	\$27,550	\$13,500	\$2,000	\$0	\$25,000,000
\$38,900	Hewlett-Packard ('06)	\$26,400	\$6,500	\$6,000	\$0	\$5,000,000
\$37,000	Allstate Insurance Co. ('10)	\$21,000	\$11,000	\$5,000	\$0	\$1,100,000
\$36,500	Caterpillar ('09 & '10)	\$19,000	\$7,500	\$10,000	\$0	\$9,675,000
\$34,000	Raytheon ('05)	\$18,500	\$11,000	\$4,500	\$0	\$1,000,000
\$33,500	Comerica, Inc. ('07)	\$10,000	\$21,000	\$2,500	\$0	\$3,500,000
\$30,000	General Electric Co. ('11)	\$18,000	\$2,000	\$10,000	\$0	\$4,200,000
\$29,350	Trace Engines, LP ('06)	\$24,250	\$5,100	\$0	\$0	\$456,000
\$25,000	Sino Swearingen ('06)	\$5,000	\$10,000	\$10,000	\$0	\$2,500,000
\$22,627	Huntsman, L.L.C. ('05)	\$16,050	\$5,077	\$1,000	\$500	\$2,750,000
\$18,000	CGI Technologies ('11)	\$5,000	\$0	\$6,000	\$7,000	\$1,800,000
\$17,050	Scott & White Hospital ('07)	\$12,950	\$4,100	\$0	\$0	\$7,500,000
\$14,000	Home Depot Inc. ('04)	\$11,000	\$1,000	\$2,000	\$0	\$8,500,000
\$13,000	Fidelity Investments ('07)	\$5,000	\$7,000	\$1,000	\$0	\$8,500,000
\$12,150	Motiva [Shell Oil] ('06)	\$10,650	\$500	\$0	\$1,000	\$2,000,000
\$10,505	Vought Aircraft Industries ('04)	\$8,355	\$2,000	\$0	\$150	\$35,000,000
\$10,000	Washington Mutual ('05)	\$8,500	\$1,500	\$0	\$0	\$15,000,000
\$7,500	Countrywide Financial Corp. ('04)	\$7,500	\$0	\$0	\$0	\$20,000,000
\$5,275	CH2M Hill, Inc. ('12)	\$25	\$3,250	\$2,000	\$0	\$2,300,000
\$5,000	eBay, Inc. ('11)	\$5,000	\$0	\$0	\$0	\$2,800,000
\$3,500	3M Co. ('11)	\$3,500	\$0	\$0	\$0	\$194,000
\$3,500	Hanger Orthopedic Group ('10)	\$1,000	\$0	\$2,500	\$0	\$1,500,000
\$2,500	Torchmark Corp. ('06)	\$2,500	\$0	\$0	\$0	\$2,000,000
\$2,000	INEOS ('05)	\$2,000	\$0	\$0	\$0	\$750,000
\$2,000	Texas Energy Center ('04)	\$1,000	\$1,000	\$0	\$0	\$3,600,000
\$1,500	KLN Steel Products ('08)	\$1,000	\$0	\$500	\$0	\$900,000
\$1,000	Green Star, Inc. ('10)	\$0	\$1,000	\$0	\$0	\$350,000
\$5,275,166	TOTALS	\$2,053,449	\$1,314,090	\$232,800	\$1,674,827	\$306,736,500

Note: Table combines contributions to the Texas Republican Party and to the Republican Party of Texas.

Top Enterprise Fund-Related Contributors

Total Since 2000	Contributor (TEF Projects)	City	Top Recipient(s)
\$1,736,130	James/Cecelia Leininger (TIGM/G-Con)	San Antonio	Republican Party of TX
\$1,036,000	Robert McNair (TIGM)	Houston	Republican Party of TX
\$570,786	Drayton McLane (McLane Adv. Tech)	Temple	Rick Perry
\$268,000	William A./Nancy McMinn (TIGM)	Houston	Rick Perry
\$165,000	Joe Sanderson Jr. (Sanderson Farms)	Laurel MS	Rick Perry
\$136,500	Dow Chemical Corp.	Midland MI	TX Republican Party
\$125,000	John McHale (G-Con)	Austin	Rick Perry
\$97,000	Friends of Baylor Medical PAC	Houston	Rick Perry
\$90,000	Centene Corp. PAC	Austin	Rick Perry
\$85,500	Gordon Cain (TIGM)	Houston	Rick Perry
\$80,500	Lockheed Martin Corp.	Fort Worth	TX Republican Party
\$62,500	Nationwide Insurance PAC	Columbus OH	Rick Perry
\$60,250	Texas Instruments PAC	Dallas	Rick Perry
\$48,843	A&M PAC (TIGM)	Austin	David Dewhurst
\$48,500	Graham/Elizabeth Weston (Rackspace)	San Antonio	Rick Perry
\$40,000	Centene Management Co.	St. Louis MO	David Dewhurst
\$37,000	Allstate Insurance Co. PAC	Northbrook IL	Rick Perry
\$36,500	Caterpillar PAC	Peoria IL	Rick Perry
\$35,000	Rackspace PAC	San Antonio	Joe Straus
\$34,500	Hewlett-Packard Co. PAC	Palo Alto CA	Rick Perry
\$34,000	Raytheon PAC	Garland	Rick Perry
\$33,500	Comerica, Inc. PAC	Detroit MI	David Dewhurst
\$30,000	General Electric Co. PAC	Washington	Rick Perry
\$28,750	James R. Adams (Texas Instruments)	San Antonio	Joe Straus
\$27,500	David M. Shanahan (G-Con)	Dallas	Rick Perry
\$25,000	Frosty/Rhonda Gilliam Jr. (Trace)	Odessa	Rick Perry
\$25,000	Morris Doug Jaffe Jr. (Sino Swearingen)	San Antonio	Dewhurst/Straus
\$22,250	UT MD Anderson Cancer PAC	Houston	Rick Perry
\$19,127	Victor J. Rogers (Huntsman)	Cypress	Rick Perry
\$14,000	Home Depot PAC	Washington	Rick Perry
\$13,000	Fidelity Investments	Boston MA	David Dewhurst
\$12,500	McLane Co. PAC	Temple	David Dewhurst
\$12,500	John H. Styles Jr. (UT MD Anderson)	Houston	Rick Perry
\$11,000	CGI Technologies PAC	Fairfax VA	Joe Straus
\$11,000	Lanham Napier (Rackspace)	San Antonio	Rick Perry
\$10,000	Lewis J. Moorman III (Rackspace)	San Antonio	Joe Straus
\$10,000	Nationwide Mutual Insur. Co.	Columbus OH	Perry/Straus
\$10,000	Vought Aircraft PAC	Dallas	Rick Perry
\$10,000	Washington Mutual PAC	Seattle WA	Rick Perry
\$8,500	Shell Oil Co. PAC (Motiva)	Houston	Rick Perry
\$7,000	CGI-AMS, Inc.	Austin	TX Republican Party
\$7,000	Countrywide PAC	Pasadena CA	Rick Perry
\$7,000	Gordon England (Lockheed Martin)	Fort Worth	Rick Perry
\$6,500	Alfred/Nanette Knight (Scott & White)	Temple	Rick Perry
\$6,300	Lewis E. Foxhall (UT MD Anderson)	Houston	Rick Perry

Note: Above contributions account for 99 percent of TEF-related money tracked in this report.

Before Leininger invested in Gradalis, he and businessman Jimmy Mansour made a costly, failed legislative push for school vouchers; they also guaranteed the \$1.1 million campaign loan that helped Perry narrowly win his 1998 lieutenant governor race. To avoid conflicts, Mansour sold his Gradalis stake in 2009. He did so after Dewhurst appointed Mansour to the board of the Cancer Prevention and Research Institute of Texas (CPRIT) and as Gradalis investors began landing grants from three different state slush funds.⁵

Texas' Emerging Technology Fund awarded \$1.75 million to Gradalis in 2009. A year later TEF awarded \$3 million to G-Con, LLC, a company in which Gradalis owned a 10 percent stake.⁶ CPRIT also awarded \$748,905 to Gradalis in 2010.

While Mansour and Leininger long backed Texas' top GOP leaders, Gradalis and G-Con principal David Shanahan began showering Perry and Dewhurst with money shortly before his companies began to land extraordinary grants of public funds.⁷ And Austin Gradalis investor John McHale, who long backed Democratic candidates, made an uncharacteristic

\$100,000 contribution to Perry in this period, followed by \$25,000 more in 2012.⁸

The No. 3 TEF contributor is Drayton McLane. His Temple-based McLane Advanced Technologies landed a \$1 million TEF grant in 2009. McLane gave well over \$500,000 to TEF's overseers led by Governor Perry. McLane also gave \$100,000 to the main super PAC backing Perry's 2012 presidential bid. Perry's Make Us Great Again presidential PAC also plucked \$50,000 from poultry king Joe Sanderson, the No. 4 TEF contributor. TEF awarded \$500,000 to Sanderson Farms in 2006.

House Speaker Joe Straus collected the least TEF-related cash. TEF began doling out state grants before Straus became a freshman lawmaker in 2005. Rep. Straus did not exercise major control over TEF until he was elected speaker in 2009. Straus raised \$232,800 in TEF-related contributions, collecting 90 percent of it as speaker. Robert McNair is Speaker Straus' top TEF contributor.

James Leininger is the No. 1 TEF contributor to the Republican Party of Texas, which received \$1.7 million in TEF-related money. •

NOTES

¹ The vast majority of the contributors tracked here are PACs and company executives of TEF awardees. Investor contributions are tracked for just a few TEF projects: Texas Institute for Genomic Medicine, G-Con, Trace Engines and Sino Swearingen.

² See "[Perry's Piggybank: Texas Enterprise Fund Recipients Gave \\$7 Million to Rick Perry and His Republican Governor's Association](#)," Texans for Public Justice, October 2011.

³ TIGM's award tied the \$50 million that TEF awarded to Texas Instruments in 2004.

⁴ See "[Con Job: Most Enterprise Fund Grantees Failed to Deliver in 2010](#)," Texans for Public Justice, November 2011.

⁵ This study does not include Mansour's sizeable political contributions because he reportedly sold his Gradalis stock before TEF awarded state funds to G-Con (which was part owned by Gradalis).

⁶ "State's cancer-fighting agency funded projects of Perry campaign contributor," *Dallas Morning News*, November 17, 2012.

⁷ From 2007 through 2009 Shanahan contributed \$10,000 to Perry and \$12,500 to Dewhurst.

⁸ "[Perry Mines Texas System to Raise Cash for Campaigns](#)," *New York Times*, August 20, 2011.