

Lobby Watch: Rove a Mile for a Camel

☞ **Rove Deposition Offers Rare GOP Insight into Tobacco Suit**

☞ **Consultant Juggles Philip Morris & Bush Hats**

☞ **Acknowledges Tobacco Industry Lied to Texas Lege**

With Gov. George Bush gone AWOL on Texas' suit to recover more than \$8 billion in health care costs from the tobacco industry, the recent deposition of Bush's top political consultant provides rare insights into how top Texas GOP pols view the case—as well as into their sometimes conflicting allegiances in the state's tobacco dispute.

In his August 26 deposition, Bush's top political consultant, Karl Rove, discussed his role as a paid Philip Morris (PM) consultant from 1991 until December 1996. Rove testified that he earned more than \$3,000 a month while reporting to local PM honcho Jack Dillard. Rove states Bush was aware of this tobacco arrangement since 1993.¹ According to Rove, it was Bush's policy to refuse to accept campaign money from trial lawyers and the gambling industry, but he had no such qualms about taking money from tobacco companies.

As a tobacco consultant and the state's leading king maker, Rove sometimes had to juggle roles and allegiances with dizzying speed. The deposition's clearest example of such acrobatics occurs after Texas Attorney General Dan Morales filed suit against the tobacco industry—including Rove client Philip Morris. Pro-smoking forces respond to the suit by financing a push poll to intimidate Morales from pressing the suit. Wearing his Philip Morris hat, Rove attends a pow wow on what to do with the push poll. Rove recommends making it public and sending a complimentary copy to Attorney General Morales. To further help disseminate this junk science, Philip Morris gives Rove a copy to deliver to the

¹ Rove says he has spoken with Dillard a couple times in recent months, at least one of which was to coordinate additional Philip Morris contributions to the Republican Party of Texas. The Texas GOP inhaled \$96,000 in tobacco contributions during the June 1994-June 1997 tenure of Tom Pauken. The most recent tobacco contribution it reported was an April 28, 1997 gift of \$5,000 from the Tobacco Institute.

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Governor's Office. Rove says he then changed out of his Philip Morris hat into his Governor's Consultant hat in order to hand deliver the poll to Bush Executive Assistant Joe Allbaugh. Raising ongoing questions of whose hat Rove wears today, Rove's attorney acknowledged in the deposition that he shared copies of all the tobacco documents subpoenaed from Rove with Philip Morris.

Nonetheless, Rove now exhibits some signs of newfound independence from the tobacco industry that he served until the end of last year. Early in his deposition, Rove disavows any knowledge that the tobacco industry has had an interest in product liability and tort reform legislation—a 1995 Bush priority. Later, however, Rove acknowledges that:

- Product liability is a burning issue for tobacco barons;
- The industry lied about marketing tobacco to kids; and
- The State of Texas can make a case for recovering its tobacco-related health expenditures.

On the last point, Rove acknowledges that the Texas Legislature would have cracked down on the abuses of the tobacco industry long ago if it had not deceived lawmakers and the public for decades about tobacco being a harmful, addictive product and about cigarettes being marketed to kids.

Big tobacco's ties to Karl Rove, Governor Bush and the Texas Republican Party are particularly troubling given that the Governor barnstormed the state to build support for giving a \$1 billion budget surplus to homeowners, but has failed to fight for a suit to recover more than \$8 billion of state money from the tobacco industry.

Smoke Out the Tobacco Poll Pushers!

The only people Karl Rove identified as joining him at the smoke-filled meeting that determined the fate of the industry's infamous push poll on Texas' tobacco lawsuit were Philip Morris operative Jack Dillard and PM lobbyist Stan Schleuter. To give full credit, *Lobby Watch* is seeking the identities of the other people at that power meeting.