

# LOBBY WATCH



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Inbreeding:

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## A Perry Perspective on Campaign-Lobby Ties

**Will Governor Who Paid \$651,108 to Lobbyists and Lobby Firms Veto Related Disclosure Reforms?**

Lawmakers recently passed a bill to require lobbyists to disclose any payments from political campaigns ([HB 1422](#)). Backers of the reform presented it as an antidote to conflicts that can occur when corporate lobbyists counsel public officials.<sup>1</sup>

The fate of this reform now lies with a governor whose administration has danced so closely with the corporate lobby that they are like lovers who anticipate each other's next move.<sup>2</sup>

The best way to assess a proposed reform is to apply it to the real world. Here *Lobby Watch* asks the question: If this reform had taken effect in January 2009, what payments would lobbyists have reported receiving from Perry's campaign?

Perry's campaign paid at least \$651,108 to lobbyists or lobby firms since 2009. Yet HB 1422 contains potentially gaping loopholes that could have prevented much of this disclosure, rendering the reform meaningless.

### Perry Campaign Payments to Lobby Interests (2009 Though 2012)

Perry Campaign Payee [No. of lobbyists]	Perry Amount	Payment Periods	Lobby Periods	Min. Value of Contracts	Max. Value of Contracts	No. of Contracts
Ray Sullivan/ *Sullivan Public Affairs [1]	\$199,623	8/09-8/11 4/12-10/12	1/09-6/09; 3/12-12/12	\$220,000 \$620,000	\$450,000 \$1,110,000	12 7
*Delisi Communications/[6] *Flintrock Consulting	\$143,165	1/09-5/10	1/09-12/12	\$10,450,000	\$19,825,000	310
Mark Miner [1]	\$138,961	1/09-8/11	4/12-6/12	\$160,000	\$285,000	8
*Patriot Group [3]	\$92,744	2/09-10/09	1/09-12/10	\$650,000	\$1,255,000	18
[Eric] Bearnse & Co. [1]	\$40,000	2/12-11/12	2/10-12/10	\$25,000	\$50,000	1
*Thompson & Knight [3]	\$24,238	2/09-6/11	2009; 2012	\$285,000	\$485,000	6
*Jackson Walker [10]	\$12,377	9/09-6/11	1/09-12/12	\$4,665,000	\$10,815,000	380
<b>TOTALS</b>	<b>\$651,108</b>			<b>\$17,075,000</b>	<b>\$34,275,000</b>	<b>742</b>

\*Simultaneity: Individuals or firms that lobbied *while* receiving Perry campaign payments.

The heart of HB 1422 lies in one sentence that would require lobbyists to report “each person” who uses “political contributions” to compensate the lobby “registrant or person acting as an agent for the registrant for services, including political consulting services.” The bill’s potentially fatal defect is that it directs *lobby registrants or their agents* to report payments from campaign funds.

Most lobby-related recipients of Perry campaign funds have been lobby and law firms that did not register as lobbyists (nor are they “agents” of their lobbyists).<sup>3</sup> Under Texas law, a firm need

not register as a lobbyist if its employees register.<sup>4</sup> Few entities register to lobby.

A narrow reading of HB 1422 suggests that Sullivan Public Affairs, Delisi Communications, the Patriot Group and Thompson & Knight would not need to disclose campaign payments—even though some of these firms are owned by lobbyists. If this is true, all disclosures mandated by this reform could be dodged simply by funneling lobby-related campaign payments through firms (including firms created solely to avoid disclosure).

### Delisi Communications Lobbyists and Top Clients (2009-2012)

Lobbyist [No. of Contracts]	Lobby Periods	Max. Value of Contracts
Ted Delisi [95]	1/09-12/12	\$5,770,000
Dianne Delisi [56]	1/09-12/12	\$4,300,000
Heather Vasek [66]	1/09-12/12	\$4,285,000
Paul Bollinger [37]	1/11-12/12	\$2,785,000
Jarod Love [43]	1/09-12/12	\$2,120,000
Deirdre Delisi [13]	2/12-10/12	\$565,000
<b>TOTAL</b>		<b>\$19,825,000</b>

Client [No. of Contracts]	Max. Value of Contracts
AT&T Corp. [19]	\$1,445,000
Hospital Coalition of South TX [11]	\$1,300,000
Grace Holdings LLP [17]	\$1,220,000
TX e-Health Alliance [14]	\$1,130,000
Compuware Subsid. Covisint [13]	\$1,035,000
TX Teachers of Tomorrow [13]	\$1,020,000
CHRISTUS Health [8]	\$1,000,000

Over the past four years the Perry campaign has paid \$70,730 for printing to Delisi Communications owned by Ted and Deirdre Delisi. It paid another \$72,435 to the Delisi family’s Flintrock Consulting for a variety of campaign and officeholder services. Ted Delisi was a registered lobbyist throughout this period. Deirdre Delisi, who lobbied in 2012, has served as Perry’s campaign manager, chief of staff and

the Perry-appointed chair of the Texas Transportation Commission. Could all of these payments have dodged disclosure just because the Perry campaign made the Delisis’ checks payable to their consulting firms? The same question applies to payments that the Perry campaign made to the Patriot Group, Thompson & Knight and Jackson Walker.

### Patriot Group Lobbyists and Top Clients (2009-2010)

Lobbyist [No. of Contracts]	Lobby Periods	Max. Value of Contracts
Jill Warren [9]	1/09-12/12	\$760,000
Kevin Brannon [6]	1/09-12/10	\$360,000
Matt Welch [3]	1/09-8/09	\$135,000
<b>TOTAL</b>		<b>\$1,255,000</b>

Client [No. of Contracts]	Max. Value of Contracts
Imagination Station, Inc. [4]	\$310,000
Credit Solutions, Inc. [2]	\$300,000
AT&T Corp. [2]	\$200,000
Select Mgmt. Resources [2]	\$200,000

The Perry campaign has paid a total of more than \$35,000 in recent years to the firms Jackson Walker and Thompson & Knight, both of which maintain lobby practices in Austin.<sup>5</sup> Although Perry’s campaign reported that these payments covered “legal” services, HB 1422 covers *any*

paid service that a lobbyist performs. This is crucial since lawyers caught covertly lobbying state officials sometimes use the “[Sibley defense](#),” arguing that they were acting as a lawyer—not as a lobbyist.

## Thompson & Knight Lobbyists and Top Clients (2009-2012)

Lobbyist [No. of Contracts]	Lobby Periods	Max. Value of Contracts
Gary D. Compton [4]	2/12-12/12	\$310,000
Charlene Heydinger [1]	6/12-12/12	\$150,000
James C. Morriss [1]	1/09-12/09	\$25,000

Client [No. of Contracts]	Max. Value of Contracts
Keeping PACE in TX [1]	\$150,000
Pioneer Nat'l Resources [1]	\$150,000
Clean Energy Fuels Corp. [1]	\$100,000

## Jackson Walker Lobbyists and Top Clients (2009-2012)

Lobbyist [No. of Contracts]	Lobby Periods	Max. Value of Contracts
Kathy N. Hutto [91]	1/09-12/12	\$4,055,000
Michael J. Nasi [49]	1/09-12/12	\$3,375,000
Deidra Garcia [110]	12/10-12/12	\$1,100,000
Edward C. Small [35]	1/09-12/12	\$980,000
Shari Anderson [43]	1/11-12/11	\$430,000
Chesley N. Blevins [32]	1/09-12/12	\$365,000
Gary D. Compton [4]	1/09-12/11	\$310,000
Leonard H. Dougal [10]	1/09-12/11	\$100,000
William Dahlstrom [2]	1/11-12/11	\$60,000
Carla J. Cox [4]	1/09-12/12	\$40,000
<b>TOTAL</b>		<b>\$10,815,000</b>

Client [No. of Contracts]	Max. Value of Contracts
Gulf Coast Lignite Coalition [10]	\$1,075,000
Clean Energy Fuels Corp. [5]	\$970,000
Balanced Energy for TX [9]	\$925,000
Clean Coal Technology Fdn. [10]	\$625,000
EduCare Community Living [31]	\$580,000
Commonwealth Brands, Inc. [14]	\$560,000
Pioneer Natural Resources [3]	\$550,000
Coal. for Nurses in Advanced Practice [8]	\$440,000
TX Council on Family Violence [8]	\$440,000
Cmty. Health Systems Prof. Services [7]	\$340,000

Other lobbyists would not have had to disclose Perry campaign payments that they received because they were not registered lobbyists at the same time when the campaign payments occurred. HB 1422 would just require *currently registered lobbyists* to report campaign payments.<sup>6</sup>

From August 2009 through August 2011 the Perry campaign paid a campaign salary of \$119,623 directly to Ray Sullivan, who has served as Perry's campaign spokesman and chief of staff. Yet Sullivan would not have been required to report these payments because he was not a registered lobbyist at that time (Sullivan registered to lobby in early 2009 and again in 2012). When Sullivan was a registered lobbyist in 2012, the Perry campaign paid him another \$40,000, but the campaign wrote those checks to Sullivan Public Affairs.

Two other operatives might have dodged disclosure because they were not registered lobbyists when they collected Perry campaign

payments. Perry spokesman Mark Miner collected a campaign salary from 2009 through 2011 before registering to lobby in 2012 for McGuireWoods Consulting and Adelanto Healthcare. Perry speech writer and spokesman Eric Bearse lobbied for Provident Realty Advisors in 2010, before Perry's campaign paid Bearse & Co. \$40,000 in 2012.

## Ray Sullivan's Top Clients (2009-2012)

Client [No. of Contracts]	Max. Value of Contracts
HNTB Corp. [2]	\$250,000
Amazon.com [1]	\$150,000
Nat'l Western Life Insurance Co. [1]	\$150,000
Banc Pass, Inc. [1]	\$100,000
BCFS [1]	\$100,000
Cameron Co. Reg'l Mobility Auth. [1]	\$100,000
Copart Inc. [1]	\$100,000
Horne, LLP [1]	\$100,000
Rivada Networks [1]	\$100,000
Silver Eagle Distributors [1]	\$100,000
Total Mobile, Inc. [1]	\$100,000

## Top Clients of All Lobby Interests Paid By Perry's Campaign (2009 Through 2012)

Client	City	Max. Value of Contracts	Annual Contracts
AT&T Corp.	Dallas	\$1,645,000	21
Hospital Coalition of South TX	Edinburg	\$1,300,000	11
Grace Holdings, LLP	Lubbock	\$1,220,000	17
TX e-Health Alliance	Austin	\$1,130,000	14
Gulf Coast Lignite Coalition	Austin	\$1,075,000	10
Clean Energy Fuels Corp.	Seal Beach CA	\$1,070,000	6
Compuware subsidiary Covisint	Detroit MI	\$1,035,000	13
TX Teachers of Tomorrow, LLC	Houston	\$1,020,000	13
CHRISTUS Health	Irving	\$1,000,000	8
Sandata	Pt. Washington NY	\$950,000	11
Balanced Energy for TX	Austin	\$925,000	9
Disposable Supplies Coalition	Washington	\$820,000	10
IBM	Washington	\$800,000	8
Read and Succeed, LLC	Los Angeles CA	\$800,000	8
Intel Corp.	Santa Clara CA	\$775,000	13
Keane, Inc.	Boston MA	\$750,000	8
Providers Alliance for Cmty. Srvc.	Austin	\$750,000	11
Pioneer Natural Resources	Irving	\$700,000	4
TX Charter Schools Assn.	Austin	\$670,000	13
Clean Coal Technology Foundation	Austin	\$625,000	10
EduCare Community Living	Louisville KY	\$580,000	31
Commonwealth Brands, Inc.	Ft Lauderdale FL	\$560,000	14

The purpose of HB 1422 was to disclose the conflicts that can arise when the political advisors of public officials double as corporate lobbyists. The accompanying table shows the top clients of all lobby-related recipients of Perry campaign funds (including those that might wiggle through disclosure loopholes in the proposed reform). Topping the client list is AT&T, which spent \$18,000 in 2011 buying up copies of Governor Perry's book *Fed-Up*.

The top clients of Perry's consultants also include seven health clients led by the Hospital

Coalition of South Texas. It promotes doctor-owned hospitals, which some analysts associate with runaway health-care costs. Top Perry-consultant clients also include five energy interests led by the dirty-coal enthusiasts in the Gulf Coast Lignite Coalition and by T. Boone Pickens' Clean Energy Fuels Corp., which promotes and sells natural gas as a fuel for vehicles. Three education interests also rank among the top Perry-consultant clients, led by the teacher-certification company Texas Teachers of Tomorrow. •

## Notes

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<sup>1</sup> "Senate OKs Disclosure of Consulting Ties," *Austin American-Statesman*, May 10, 2013.

<sup>2</sup> For an appreciation of this choreography, see TPJ's "Shark Week" series from the 2012 ratings season:

[Day One: Perry's Roomie Toomey Mobilizes the Corporate Lobby.](#)

[Day Two: The Governor's Office Runs a Farm Team for Lobbyists.](#)

[Day Three: Perry Appointees Morph Into Lobbyists.](#)

<sup>3</sup> While many lobbyists are agents of firms, the firms do not appear to be agents of their lobbyists.

<sup>4</sup> See "[Lobby Registration, Form REG Instruction Guide](#)," Texas Ethics Commission, revised December 1, 2012.

<sup>5</sup> At the beginning of 2012 lobbyist Gary Compton moved from Jackson Walker to Thompson & Knight. Compton's Jackson Walker work is the most significant to this report because he worked there when the Perry campaign had that firm on retainer. Perry's campaign did not report any payments to Thompson Knight during Compton's tenure there in 2012.

<sup>6</sup> Texas lobbyists must register within five days of engaging in a paid "lobby communication." Major lobbyists also file monthly amendments throughout the year to disclose changes in compensation, as well as to report new or dropped clients.