

LOBBY WATCH



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Demo-Craddick:

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Bipartisan Texas Jobs PAC Defends Speaker's Job

A newly revived state PAC recently reported that it received \$250,000 from embattled House Speaker Tom Craddick on January 10—one day before it contributed \$150,000 of that money to three House Democrats who back Craddick as speaker. “The speaker donated money to the PAC because it’s a bipartisan PAC with a bipartisan board,” a Craddick spokesman told the *Houston Chronicle* several days after the so-called Texas Jobs PAC made this disclosure.¹ “He believes supporting candidates who work across the aisle is good for Texas.”

This blasé description by the speaker’s spokesman does not do justice to these remarkable transactions. The \$250,000 that Craddick gave to Texas Jobs PAC is the largest expenditure that his campaign ever made. Similarly, the \$50,000 checks that Texas Jobs wrote to the three Demo-Craddick representatives were twice the size of any contribution that these lawmakers previously received. In its short life, the Texas Jobs PAC has redefined just how special “special interests” can be.

Over the past eight years, the Craddick campaign made 16 other whopper expenditures ranging from \$25,000 to \$200,000. The \$250,000 that Craddick gave to Texas Jobs PAC exceeds, for example, the five huge checks totaling \$235,000 that Craddick gave to the Craddick-aligned Stars Over Texas PAC. Craddick also gave two large checks totaling \$80,000 to Texas Opportunity PAC, which lobbyist Mike Toomey used in 2006 to help six Craddick allies in the House confront tough primary challenges.

Craddick’s largest previous expenditure was a payment of \$200,000. That 2005 check probably paid for the radio ads Craddick ran defending his controversial handling of school-finance legislation.²

Craddick’s campaign also wrote four large checks totaling \$131,197 to two law firms. As a result of the Texas Jobs PAC transactions, one of the firms—Minton Burton Foster & Collins—again is defending Craddick from allegations that he broke state laws governing speaker races. Travis County District Attorney Ronnie Earle previously declined to file charges against the speaker after investigating his ties to the now-indicted Texans for a Republican Majority PAC (TRMPAC). Texans For Public Justice filed a complaint with Earle this week accusing Craddick and Texas Jobs PAC of violating election laws.

The \$50,000 checks that Texas Jobs PAC wrote also were unprecedented for their recipients: Democratic Reps. Kevin Bailey, Kino Flores and Aaron Pena. These contributions that the PAC made with Craddick’s funds were twice the size of any check previously received by the three Craddick loyalists.

The largest check that Rep. Kino Flores of Palmview previously reported was \$25,000 from the doctor-financed Border Health PAC in 2004. Edinburg Rep. Aaron Pena’s largest check had been a \$25,000 contribution in 2004 from the trial-lawyer-funded Texans for Insurance Reform.

Before this year, the largest donation that Houston Rep. Kevin Bailey received was the \$15,000 that the Texas Trial Lawyers PAC gave him in 2006. Then, on the same wondrous day this January, Bailey suddenly received \$50,000 from Texas Jobs PAC and \$25,000

from Texans for Lawsuit Reform. Four days later Bailey landed \$20,000 from low-income housing developer Dwayne Henson, a recurring Bailey supporter.

The Craddick Campaign's Biggest Expenditures, 2000-Date

Amount	Date	Recipient	City	Description
\$250,000	1/10/08	Texas Jobs PAC	Austin	Contribution
\$200,000	8/10/2005	C M Marketing	Houston	Advertising
\$50,000	12/20/07	Stars Over Texas PAC	Austin	Contribution
\$50,000	9/26/2006	Stars Over Texas PAC	Austin	Contribution
\$50,000	6/21/2006	Stars Over Texas PAC	Austin	Contribution
\$50,000	8/12/2004	Stars Over Texas PAC	Austin	Contribution
\$50,000	3/3/2006	Texas Opportunity PAC	Austin	Contribution
\$48,964	9/06/07	Yetter & Warden, LLP	Austin	Legal & professional
\$43,735	3/5/2007	Bank of America	Midland	Tax-1120-POL
\$35,000	11/13/07	Stars Over Texas PAC	Austin	Contribution
\$31,969	10/26/2004	Minton Burton Foster & Collins	Austin	Legal & professional
\$30,000	3/1/2006	Republican Party of Texas	Austin	Contribution
\$30,000	3/23/2006	Texas Opportunity PAC	Austin	Contribution
\$25,371	11/7/2006	Basin Aviation	Midland	Travel
\$25,264	10/03/07	Yetter & Warden, LLP	Austin	Legal & professional
\$25,000	4/27/2004	Minton Burton Foster & Collins	Austin	Legal & professional
\$25,000	2/7/2006	Republican Party of Texas	Austin	Contribution

Top Donors To Three Demo-Craddick House Members, 2000-Date

Rep. Kevin Bailey's Largest Contributions

Amount	Contributor	Description	City	Date
\$50,000	TX Jobs PAC	Speaker's Job PAC?	Austin	1/11/08
\$25,000	Texans for Lawsuit	Civil justice limits	Houston	1/11/08
\$20,000	Dwayne Henson	D. Henson Investments	Houston	1/15/08
\$15,000	TX Trial Lawyers Assoc.	Trial lawyer PAC	Austin	6/19/06
\$10,000	HillCo PAC	B. Perry-funded lobby PAC	Austin	9/4/07
\$10,000	Bob Perry	Perry Homes	Houston	9/7/06

Rep. Kino Flores' Largest Contributions

Amount	Contributor	Description	City	Date
\$50,000	TX Jobs PAC	Speaker's Job PAC?	Austin	1/11/08
\$25,000	Border Health PAC	Medical interests	McAllen	12/9/04
\$10,000	Border Health PAC	Medical interests	McAllen	10/25/05
\$10,000	Doctors Hospital	Medical interest	Edinburg	12/29/03
\$10,000	HillCo PAC	B. Perry-funded lobby PAC	Austin	9/4/07
\$10,000	Bob Perry	Perry Homes	Houston	11/29/07
\$10,000	Bob Perry	Perry Homes	Houston	9/15/06

Rep. Aaron Pena's Largest Contributions

Amount	Contributor	Description	City	Date
\$50,000	TX Jobs PAC	Speaker's Job PAC?	Austin	1/11/08
\$25,000	Texans for Insurance Reform	Trial-lawyer PAC	Austin	2/20/04
\$10,000	Border Health PAC	Medical interests	McAllen	10/27/05
\$10,000	Bob Perry	Perry Homes	Houston	11/08/07

Contributors To Texas Jobs PAC

Donors Identified By TX Jobs PAC	Description	City	TX Jobs PAC Amount	Amount To Craddick/ Stars Over TX	TX Opport. PAC Amount	TRMPAC Amount
Craddick Campaign	House Speaker	Midland	\$250,000	\$235,000	\$90,000	\$0
James Mansour	Telecom. executive	Austin	\$25,000	\$0	\$0	\$0
Bob Perry	Perry Homes	Houston	\$25,000	\$216,000	\$50,000	\$170,000
Michael Stevens	Developer	Houston	\$25,000	\$75,000	\$25,000	\$0
Charles McMahan	Compass Bank	Schulenburg	\$2,000	\$11,000	\$0	\$0
Vance Miller	Realty mogul	Dallas	\$2,000	\$14,500	\$0	\$10,000
TX Lobby Group	Mike Toomey's firm	Austin	\$2,000	\$500	\$7,200	\$0
Antonio Falcon	Physician	Rio Grande	\$1,000	\$0	\$0	\$0
TOTAL:			\$332,000	\$552,000	\$172,200	\$180,000

Note: The PAC reported receiving \$500 more from unidentified donors of small amounts.

The Craddick spokesman's explanation that Craddick gave \$250,000 to Texas Jobs "because it's a bipartisan PAC with a bipartisan board" also merits parsing. The degree of partisanship exhibited by the PAC has little to do with whether or not Craddick violated the so-called speaker's law. A speaker candidate seeking House votes cannot afford to discriminate. But the issue does cut to questions about the PAC's independence and about Craddick's intent in making the contribution.

When Texas Jobs wrote the three \$50,000 checks on January 11, the only funds that the PAC had to spend had come from the Republican speaker the day before. The PAC immediately moved more than half of this money to three of Craddick's Democratic loyalists in the House. At that point, Texas Jobs PAC was "bipartisan" in that all of its funding came from a Republican official while all of its expenditures benefited Craddick Democrats.

Clearly other PACs both receive *and* distribute funds on a bipartisan basis. What prompted Craddick to suddenly pour the largest campaign check of his career into an empty vessel, which—the next day—forwarded most of Craddick's money to three Democrats whom Craddick desperately wants to keep in the House? At least one other Craddick Democrat turned down Texas Jobs PAC's overtures; Austin Rep. Dawnna Dukes did not want to be branded with taking \$50,000 of Craddick money.³

In the two weeks after Texas Jobs PAC moved \$150,000 of Craddick's money, the PAC received \$82,000 more from seven donors who kicked in between \$1,000 and \$25,000 apiece. Most of these donors are known Craddick allies. Collectively they have provided \$579,200 in support to the speaker through: the Craddick campaign, Stars Over Texas, the

Texas Opportunity PAC and the now-indicted Texans for a Republican Majority PAC.

The Texas-Jobs Seven Gave Heavily in 2006

Contributor	Total State Donations (06 Cycle)
Bob Perry	\$7,167,064
Michael Stevens	\$503,600
Vance Miller	\$115,300
James Mansour	\$91,750
Charles McMahan	\$74,100
TX Lobby Group	\$63,468
Antonio Falcon	\$23,875
TOTAL: \$8,039,157	

Their ranks include the lobby firm of Mike Toomey, who helped coordinate the efforts of TRMPAC, the Texas Association of Business and Texans for Lawsuit Reform to establish a GOP House majority in 2002. TRMPAC fundraisers also solicited now-retired Compass Bank executive Charles McMahan in 2002. Four days later that bank's PAC gave \$22,000 to House candidates on TRMPAC's slate.

Two days after he resigned as chair of Grande Communications this January, James Mansour contributed \$25,000 to Texas Jobs PAC. Mansour long has been James Leininger's right-hand man in the school-voucher war. Mansour was the No. 2 donor to Leininger's Texans for School Choice PAC, which poured \$155,880 into eight GOP House races in 2006. In fact, 81 percent of this voucher money went to Martha Wong and George Antuna—whose losses to Democrats undermined Craddick's tenuous base.

**Republicans Got 74 Percent
Of Money That the Texas-Jobs Seven
Spent on Texas' 2006 Elections**

Party	Amount	Share
Republican Candidates/PACs	\$5,968,232	74%
Democratic Candidates/PACs	\$485,200	6%
Ostensibly non-partisan PACs	\$1,585,725	20%
TOTAL:	\$8,039,156	100%

Together these seven Texas Jobs PAC donors invested more than \$8 million in Texas' 2006 election cycle, with 74 percent of this money going to Republicans, 20 percent going to ostensibly bipartisan PACs and 6 percent going to Democrats.

To be sure, these aggregate numbers are skewed by Houston mega-donor Bob Perry. Yet all of the Texas Jobs PAC donors gave at least twice as much to Republicans as they did to Democrats. Indeed, Charles McMahan and James Mansour collectively spent \$165,850 without directly giving a Democrat a dime. To date, Texas Jobs PAC has raised overwhelmingly Republican funds, distributing them to that rare breed known as Craddick Democrats.

The smallest donor identified by Texas Jobs PAC is Rio Grande City doctor Antonio Falcon, whom the PAC lists as one of its five financial decision makers.

Breakdown of Bob Perry's Money in 2006

Party	Amount	Share
Republican	\$5,236,064	73%
Non-Partisan	\$1,464,500	20%
Democrat	\$466,500	7%
TOTAL:	\$7,167,064	100%

Breakdown of Stevens' Money in 2006

Party	Amount	Share
Republican	\$412,850	82%
Non-Partisan	\$87,750	17%
Democrat	\$3,000	1%
TOTAL:	\$503,600	100%

(*Quorum Report* recently delved into the background of another one of these decision makers: conservative operative James Cardle.)⁴

Falcon spent \$23,875 on Texas' 2006 elections. With 23 percent of this money going to Democrats, Falcon has the most bipartisan profile of the Texas Jobs donors. Falcon's bipartisanship has an interesting geographical divide. His GOP contributions mostly benefited statewide officeholders, whereas his Democratic contributions overwhelmingly went to the Democratic incumbents who control South Texas. The exception to this pattern is the money that Falcon has given to the local Hidalgo County Republican Party.

The degree to which the Texas Jobs PAC is bipartisan or not has little to do with whether or not Speaker Craddick violated Texas' speaker law. Yet the strong Republican bent of its donors suggests that it was no accident that this PAC has acted like an arm of the Craddick campaign. As *Quorum* wrote, "The claim that Tom Craddick wrote his biggest contribution check (\$250,000) out of his own campaign fund to be spent on races to be determined later, by an anonymous board, defies belief." To date, the only job that Texas Jobs PAC has shown any interest in is that of the Speaker of the House.

Top Recipients of Perry's 2006 Money

Bob Perry Recipient	Amount
Republican Party of TX	\$835,000
HillCo PAC	\$610,000
Texans For Lawsuit Reform	\$601,000
Gov. Rick Perry	\$381,799
Lt. Gov. David Dewhurst	\$335,000

Favorite Dem:

Sen. John Whitmire	\$65,000
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Top Recipients of Stevens' 2006 Money

Recipient	Amount
Gov. Rick Perry	\$50,000
Attorney Gen'l Greg Abbott	\$50,000
Lt. Gov. David Dewhurst	\$50,000
Speaker Tom Craddick	\$50,000
Attack PAC	\$43,000

Favorite Dem:

Rep. Solomon Ortiz	\$3,000
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Breakdown of Miller's Money in 2006

Party	Amount	Share
Republican	\$110,600	96%
Democrat	\$2,700	2%
Non-Partisan	\$2,000	2%
TOTAL:	\$115,300	100%

Top Recipients of Miller's 2006 Money

Recipient	Amount
Gov. Rick Perry	\$35,000
Lt. Gov. David Dewhurst	\$25,000
Attorney Gen'l Greg Abbott	\$10,500
Sen. Florence Shapiro	\$5,767
Rep. Jim Jackson	\$4,424
Favorite Dem:	
Sen. John Whitmire	\$1,500

Breakdown of Mansour's Money in 2006

Party	Amount	Share
Republican	\$71,500	78%
Non-Partisan	\$20,250	22%
Democrat	\$0	0%
TOTALS:	\$91,750	100%

Top Recipients of Mansour's 2006 Money

Recipient	Amount
Gov. Rick Perry	\$25,000
Texans for School Choice PAC	\$20,000
Rep. Nathaniel Parker	\$10,000
Rep. Nathan Macias	\$10,000
House candidate Dale Hopkins	\$10,000
Favorite Dem:	
None	\$0

Breakdown of McMahan's Money in 2006

Party	Amount	Share
Republican	\$69,500	94%
Non-Partisan	\$4,600	6%
Democrat	\$0	0%
TOTALS:	\$74,100	100%

Top Recipients of McMahan's 2006 Money

Recipient	Amount
Lt. Gov. David Dewhurst	\$32,000
Gov. Rick Perry	\$20,000
Speaker Tom Craddick	\$10,000
Attorney Gen'l Greg Abbott	\$5,000
Compass Bancshares PAC	\$3,600
Favorite Dem:	
None	\$0

Breakdown of TX Lobby Group Money in '06

Party	Amount	Share
Republican	\$55,968	88%
Democrat	\$7,500	12%
Non-Partisan	\$0	0%
TOTALS:	\$63,468	100%

Top Recipients of TX Lobby Group's '06 Money

Recipient	Amount
Attorney Gen'l Greg Abbott	\$10,000
Rep. John Zerwas	\$5,000
TX Republican Legislative Caucus	\$5,000
Rep. David Swinford	\$4,000
Sen. Craig Estes	\$4,000
Favorite Dems:	
Rep. Ismael Flores	\$1,000
Rep. Juan Hinojosa	\$1,000
Rep. Robert Puente	\$1,000
Rep. Mike Villarreal	\$1,000

Breakdown of Falcon's Money in 2006

Party	Amount	Share
Republican	\$11,750	49%
Non-Partisan	\$6,625	28%
Democrat	\$5,500	23%
TOTALS:	\$23,875	100%

Top Recipients of Falcon's 2006 Money

Recipient	Amount
Gov. Rick Perry	\$5,000
Attorney Gen'l Greg Abbott	\$2,500

Favorite Dems:

Dist. Judge Jose Luis Garza	\$1,000
Rep. Veronica Gonzales	\$1,000
Rep. Ryan Guillen	\$1,000
Dist. Judge Freddie Jimenez	\$1,000

NOTES

¹ "Hefty gift to Bailey has Craddick ties," *Houston Chronicle*, February 7, 2008.

² "Craddick goes statewide," *Texas Weekly*, August, 15, 2005.

³ "Dukes Turns Down Craddick Donation," *Austin American-Statesman*, February 7, 2008.

⁴ "More questions about Craddick Funded Texas Jobs PAC," *Quorum Report*, February 12, 2008.