

LOBBY WATCH



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Horsewhipped:

June 30, 2005

Slots Interests Fed \$4.6 Million Into Texas Political Coffers in 2004

• GOP Elephants Trot Off With 70 Percent of the Purse

The army of one-armed bandits that converged upon the 2005 legislative session went home empty-handed—despite having inundated Texas politicians with more than \$4.6 million dollars in the preceding election cycle. Odds are that these *bandidos* will return, given the vast gambling spoils that lie locked within the Capitol's vulnerable gates.

More than 200 donors with stakes in legalizing modern slot machines (or "video lottery terminals") invested \$4,563,617 in Texas politicians in the 2004 election cycle. Most of this money (\$3.6 million) arrived via pony express.

Political Slots

Slots Interests	TX Contributions (2004 Cycle)
Horseshoe Interests	\$3,643,181
Dog race Interests	\$272,151
Native American Tribes	\$82,000
Other slots interests	\$566,285
TOTAL:	\$4,563,617

Horse slots

Investors in existing or proposed horse tracks contributed \$2.2 million in 2004. This includes investors who just applied to the Texas Racing Commission last month to open a new track near McAllen. Apart from these track interests, investors in the racehorses themselves contributed another \$1.4 million.

Retama Park interests gave politicians the most money, led by four Retama investors who contributed more than \$100,000 apiece (car magnate Red

McCombs, beer distributor Alan Dreeben, Caterpillar dealer Peter Holt and developer George Hixon). Retama gained further influence when its chairman's, son, Joe Straus III, won a vacated House seat in February.

Lone Star Park interests contributed \$749,145 in 2004, led by the family of Trammell and Harlan Crow (\$627,295). When the Crows sold Lone Star to Canada-based Magna Entertainment Corp. in 2002, they retained a 10 percent stake in any of that track's future gaming revenues.

The beer-distributing LaMantia family (\$197,911 in contributions) leads two partnerships that have applied to open two Rio Grande Valley tracks. The LaMantia's LRP Group already had a Laredo track application pending in late May, when their new company, Valle de Los Tesoros, applied to open a McAllen track, too. The Straus family is a major investor in these LaMantia ventures.

Pony Chase

Horse Track Owner Group	Amount (2004 Cycle)
Retama Park (Sn Antonio)	\$829,668
Lone Star Park (Gr. Prairie)	\$749,145
*LRP Group (Laredo)	\$288,511
*Maxxam, Inc. (Houston)	\$260,620
*Austin Jockey Club (Austin)	\$39,700
*Tesoros Race Park (McAllen)	\$22,984
Saddle Brook Park (Amarillo)	\$11,123
Manor Downs (Austin)	\$7,400
ALL HORSE TRACKS:	\$2,209,151

*Has Racing Commission license issues pending.

Top Contributors With Slots Links

Contributor	City	Primary Slots Link	Amount ('04 Cycle)
Robert McNair, Jr.	Houston	Horse breeding	\$664,792
Harlan Crow	Dallas	Lone Star Park	\$508,327
Maxxam, Inc. PAC	Houston	Sam Houston Race Park	\$254,750
Big City Capital, LLC	Houston	Lobbying for slots	\$212,750
Robert/Gordon Johnson	Austin	Gulf Greyhound	\$188,814
Bobby Cox	Fort Worth	Horse breeding	\$186,000
Landry's Restaurants PAC	Houston	Landry's/Golden Nugget	\$168,379
B.J. 'Red' McCombs	San Antonio	Retama	\$160,116
Alan W. Dreeben	Schertz	Retama	\$129,409
Peter Holt	Blanco	Retama	\$118,014
George Hixon	San Antonio	Retama	\$107,000
Greg LaMantia	McAllen	LRP Group	\$93,730
Trammell Crow	Dallas	Lone Star Park	\$88,250
Mike Rutherford	Houston	Horse breeding	\$82,831
Joe LaMantia	McAllen	LRP Group	\$74,631
Gordon Graves	Austin	MultiMedia Games	\$64,000
Melissa Jones	Austin	Horse breeding	\$63,532
Robert Kaminski	Dallas	Lone Star Park	\$62,000
Alabama-Coushatta	Livingston	Alabama-Coushatta	\$59,500
Larry Martin	Houston	LRP Group	\$59,100
TX Thoroughbred Breeders	Austin	Horse breeding	\$58,300
Corey Johnsen	Euless	Lone Star Park	\$45,500
Helen Kleberg Groves	San Antonio	Retama	\$45,000
TX Quarter Horse Assn	Austin	Horse breeding	\$40,435
Tilman Fertitta	Houston	Landry's/Golden Nugget	\$39,700
James Helzer	Arlington	Horse breeding	\$38,525
Gerald Ford	Dallas	Horse breeding	\$37,600
Joan Kelleher	San Antonio	Retama	\$32,750
Christopher Hall	Miami Shores	LRP Group	\$26,250
Joe Straus, Jr.	San Antonio	Retama	\$25,575

Maxxam, Inc., which controls the Sam Houston and Valley race parks, is competing against LRP Group for a Laredo franchise. A 2002 memo produced by Tom DeLay's Texans for a Republican Majority PAC (TRMPAC) recorded a \$5,000 pledge from Maxxam CEO Charles Hurwitz along with a note on Hurwitz's agenda: "Horseracing, #1." Maxxam's PAC sunk \$254,750 into Texas' 2004 elections, posting the fastest growth rate of any large PAC in the state.

Retama CEO Bryan Brown is a lead investor in the Austin Jockey Club with Fort Worth magnate Holt Hickman (\$12,700 in contributions) and Pflugerville developer Tim Timmerman (\$12,000). The Austin Jockey Club wanted to build a track in Pflugerville

before local voters ran them out of town earlier this year. This rout was a victory for Manor Downs (\$7,400 in contributions), which operates a nearby track.

Drew Alexander (\$10,823 in contributions) heads Saddle Brook Park, which is not currently exercising its Amarillo track license. Son Drew Alexander II—who has managed the bar at Las Vegas' Golden Nugget Casino—sits on Saddle Brook's board.

Other slots

Some of the top contributors linked to Texas' two greyhound tracks are better known for jockeying lawmakers. Lobbyist Nick Kralj (\$11,618) owns a

stake in Corpus Christi Greyhound; the family and firm of lobbyist Robert E. Johnson (\$188,814) own shares in Gulf Greyhound.

The Tigua and Alabama-Coushatta tribes (contributing a total of \$82,000) view slots as an entrée back into gambling after the state shuttered their casinos.¹ Embattled lobbyist Jack Abramoff worked for the Louisiana Coushatta, which opposed competition from Texas casinos. The Associated Press recently reported that a DeLay aide got Abramoff to redirect the \$55,000 that the Louisiana Coushatta contributed to DeLay PACs— including TRMPAC—in 2002. Abramoff directed the tribe to redirect this money to GOP-friendly groups to prevent DeLay’s PACs from having to disclose these gambling ties.

Still other donors with broad gambling interests dropped \$566,285 in Texas’ 2004 election cycle, led by Landry’s Restaurants and Big City Capital. Houston-based Landry’s recently bought the Golden Nugget Casino and reportedly wants to develop casinos closer to home. Big City hired one of 2005’s top slots lobby teams. Owner Billy Bob Barnett dabbled in Vegas casino ventures after selling his Billy Bob’s nightclub to track investor Holt Hickman.

Political slots

Slots interests bet 70 percent of their total political purse on Republican PACs and candidates (\$3.2 million). Meanwhile Democrats got 13 percent of all slots money (\$580,105), with the remainder going to ostensibly non-partisan PACs.

Party Slots

Slot-Money Recipients	Amount ('04 Cycle)	Share of Total (%)
Republicans	\$3,202,594	70%
Democrats	\$580,105	13%
Non-partisan PACs	\$780,918	17%
TOTAL:	\$4,563,617	100%

Governor Rick Perry rode away with the most slots money, drawing a remarkable \$682,969. *Lobby Watch* previously reported how Perry bagged a third of this money on a single day—shortly before he made slots a centerpiece of his failed 2004 special session on school funding. Perry has since distanced himself from slots, as he jockeys with potential rivals for the 2006 GOP gubernatorial nomination.

One such rival, Comptroller Carole Keeton Strayhorn, booked \$445,958 from slots interests while serving as an *ex-officio* member of the Texas Racing Commission. Slots interests gave more than \$100,000 apiece to two other statewide officials: Attorney General Greg Abbott and Agriculture Commissioner Susan Combs.

Slots interests gave more than \$1 million to the leaders of Texas’ two legislative chambers, led by Lieutenant Governor David Dewhurst (\$657,306). House Speaker Tom Craddick’s take was \$357,060 when his contributions are combined with those of Stars Over Texas—a PAC organized to retain Craddick as Speaker.

The top slots recipients in the Senate are Democrats Ken Armbrister and Chuy Hinojosa. As the Texas Horsemen’s Partnership recognized in a recent legislative post-mortem, Armbrister rode the racing industry’s agenda to the finish line. Even as the clock ran out at midnight on the session’s final day, the Partnership wrote, “industry champion” Armbrister “offered an amendment to the Lottery Commission sunset bill that would have allowed a statewide referendum to legalize video lottery terminals.”

Apart from the speaker, the top House recipient of slots money was gambling cheerleader Ron Wilson, whose Democratic constituents threw him out in 2004 for failing to buck GOP redistricting. The House’s next-largest recipient of slots money is Dan Branch. This Republican has advocated increasing school funding through broad-based business taxes rather than through slots revenue.

Top Recipients of Slots Money

Recipient (Party)	Office Sought or Held	Amount ('04 Cycle)
Rick Perry (R)	Governor	\$682,969
David Dewhurst (R)	Lt. Governor	\$657,306
Texans For Lawsuit Reform	PAC	\$624,747
Carole Keeton Strayhorn (R)	Comptroller	\$445,958
Stars Over Texas PAC (R)	PAC	\$211,510
Tom Craddick (R)	Speaker	\$145,550
Greg Abbott (R)	Attorney General	\$136,450
Susan Combs (R)	Agriculture Commission	\$105,675
Ron Wilson (D)	House (lost)	\$79,250
Daniel Branch (R)	House	\$72,086
Associated Republicans of TX (R)	PAC	\$56,050
Daniel Barnes (R)	Senate (lost)	\$52,000
BG Distribution Partners PAC	PAC	\$47,946
Kelly White (D)	House (lost)	\$45,995
Todd Baxter (R)	House	\$41,250
Kenneth Armbrister (D)	Senate	\$36,600
Juan Hinojosa (D)	Senate	\$30,674
Talmadge Heflin (R)	House (lost)	\$29,392
Chris Harris (R)	Senate	\$28,750
Joe Straus (R)	House	\$25,650
Yes on 12	PAC	\$25,250
John Sharp (D)	Lt. Governor (lost)	\$25,000
Elizabeth Jones (R)	House	\$22,000
Victor Carrillo (R)	Railroad Commission	\$20,081
Wholesale Beer Distributors	PAC	\$19,452
Rodney Ellis (D)	Senate	\$19,150
Eduardo Lucio (D)	Senate	\$18,896
Patrick Rose (D)	House	\$18,250
Paul Green (R)	Supreme Court	\$18,200
Kevin Eltife (R)	Senate	\$18,000
John Whitmire (D)	Senate	\$16,250
Jeffrey Wentworth (R)	Senate	\$15,650
Harris Co. Republican Party (R)	PAC	\$15,100

¹ In contrast, the Kickapoo tribe has opposed legalizing slots, which it fears would drain business from its casino in Eagle Pass. Texas lacks authority to close this casino because—unlike the Tigua and the Alabama-Coushatta—the U.S. government formally recognizes the Kickapoo tribe’s autonomy.