

# LOBBY WATCH



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Political Accountability:

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## WorldCom-mies Penetrated Texas State Government!

**U**nder the nose of Texas' Homeland Security Task Force, rogue WorldCom Corp. openly bought influence with Texas politicians through an Austin PAC and 11 hired guns.

WorldCom recently decapitated its top management after admitting that it bamboozled investors by inflating its profits by \$3.8 billion since 2001. The company now says new audits are likely to shave another \$1 billion off its reported profits.

The non-federal campaigns of Texas statewide and legislative candidates took more than \$135,000 from MCI WorldCom's PAC and executives since 1997, when MCI and WorldCom announced their merger. MCI WorldCom TEXPAC moved most of this money. The PAC's donors include newly fired

WorldCom CFO Scott Sullivan and current Chief Operating Officer Ronald Beaumont—who just stepped down as host of a U.S. Senate fundraiser for John Cornyn. The top recipients of MCI WorldCom money are Governor Rick Perry and Attorney General John Cornyn (see table on next page).

WorldCom also paid 11 lobbyists up to \$675,000 in the last legislative session. Its hired guns include former Bush gubernatorial aides Roy Coffee and Reggie Bashur (Bashur's move from the Governor's Office into the lobby helped prompt Bush to adopt belated revolving-door rules for his staff). WorldCom also hired three ex-legislators and ex-Public Utilities Commissioner Marta Greytok.

### WorldCom-mies In Texas' Lobby (12/31/01)

Lobbyist	Background	Max. Value of Contract	Min. Value of Contract
Reggie Bashur	GOP consultant/lobbyist	\$100,000	\$50,000
Marta Greytok	Ex-PUC Commissioner	\$100,000	\$50,000
*† Neal Larsen	Top MCI Austin staff lobbyist	\$100,000	\$50,000
* Jamie P. Luby	WorldCom TEXPAC Treasurer	\$100,000	\$50,000
Roy C. Coffee	Gov. Bush's top D.C. lobbyist	\$50,000	\$25,000
Richard G. Hardy	Hardy & Assoc. lobby firm	\$50,000	\$20,000
* Mark Seale	Ex-aide to Ex-Sen. Jerry Patterson	\$50,000	\$25,000
Hector Uribe	Ex-Legislator	\$50,000	\$25,000
Hilary B. Doran Jr.	Ex-Legislator	\$25,000	\$10,000
* Alfred R. Herrera	MCI Senior Counsel	\$25,000	\$10,000
William E. Siebert	Ex-Legislator	\$25,000	\$10,000
<b>TOTAL:</b>		<b>\$675,000</b>	<b>\$325,000</b>

\* Donor to MCI WorldCom TEXPAC; † Gave \$5,000 to Rick Perry on 9/2/99.

Since its merger, one of MCI WorldCom's main objectives has been to get the Texas Legislature and Public Utility Commission (PUC) to lower the fees that other phone companies must pay to access Southwestern Bell's local phone lines. While lower fees stimulate competition, lawmakers and regulators have been slow to embrace this reform as a result of Southwestern Bell's vastly superior clout. Its parent company, SBC Corp., spent up to \$6.9 million on 96 Texas lobby contracts in 2001.

Whether it was criminal intent or extraordinary negligence that prompted WorldCom to bilk investors out of billions of dollars has little effect on the misfortunes of its victims. So far, just a few Texas politicians have elevated WorldCom to Enron-scandal status by returning this money or donating it to WorldCom victim funds.

Yet the top recipients of this money say they will return just pennies on the dollar. Governor Perry, who took at least \$32,500 from WorldCom's PAC and executives, has said he will return \$10,000. Cornyn, whose attorney general campaign took \$15,000, said he just will return the \$5,000 received by his U.S. Senate campaign.

In contrast, Comptroller Carole Keeton Rylander has said she will return \$4,500 in WorldCom money. That is more than the \$2,000 reported here because her campaign says it went all the back to 1994 contributions to purge itself of this dirty money.

After WorldCom bamboozled investors with accounting tricks that disclosed just a fraction of its actual business expenses, politicians should not try to bamboozle voters by returning just a fraction of their total WorldCom receipts. The public deserves a full accounting when it comes to the politics of business and the business of politics. •

## Top Recipients of MCI WorldCom Cash

Candidate	Amount Since '97
Rick Perry	\$32,500
John Cornyn	\$15,000
David Sibley	\$7,500
Steven Wolens	\$7,000
John Carona	\$6,000
Ken Armbrister	\$4,500
Jeff Wentworth	\$4,500
Greg Abbott	\$3,000
Kip Averitt	\$3,000
Gonzalo Barrientos	\$3,000
Fred Hill	\$3,000
James 'Pete' Laney	\$3,000
Florence Shapiro	\$3,000
Juan J. Hinojosa	\$2,500
Kyle Janek	\$2,500
David Bernsen	\$2,000
David H. Cain	\$2,000
Frank Madla	\$2,000
Rene Oliveira	\$2,000
Carole K. Rylander	\$2,000
Todd Staples	\$2,000
Barry Williamson	\$2,000
Buster Brown	\$1,000
George W. Bush	\$1,000
David Counts	\$1,000
Robert Duncan	\$1,000
Craig Estes	\$1,000
Troy Fraser	\$1,000
Mario Gallegos, Jr.	\$1,000
J.M. Jackson	\$1,000
Mike Jackson	\$1,000
Jon Lindsay	\$1,000
Eduardo Lucio	\$1,000
Jim Mattox	\$1,000
Michael Moncrief	\$1,000
Jane Nelson	\$1,000
Steve Ogden	\$1,000
Bill Ratliff	\$1,000
Eliot Shapleigh	\$1,000
John Sharp	\$1,000
Leticia Van De Putte	\$1,000
Royce West	\$1,000
John Whitmire	\$1,000
<b>TOTAL:</b>	<b>\$135,000</b>

Note: Covers Jan. 1997 through April 1, 2002.