

News Release

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The Boss:

Perry Appointees Put \$3.8 Million In the Governor's War Chest

- Employers of appointees gave Perry another \$3.1 million
- Perry campaign fails to disclose employers of his own appointees

Austin, Texas: Governor Rick Perry received \$3.8 million in campaign cash over the past five years from the families of people whom he appointed to state office between December 2002 and February 2006, a new study by Texans for Public Justice found. Sources affiliated with the employers of these appointees gave Perry's campaign another \$3.1 million, according to the new *Perry Patronage* report.

One-third of the 1,027 people whom Perry tapped for state office in this period contributed to his war chest. Perry's appointees tithed an average of \$3,769 apiece to his campaign. Although Governor Perry's recent predecessors also favored big donors with plum appointments, it is impossible to draw meaningful comparisons. This is because *Perry Patronage* is the first comprehensive analysis of campaign contributions by gubernatorial appointees in Texas.¹

"Political patronage is big business," said Texans For Public Justice Director Craig McDonald. "When education appointments go for an average of \$10,616 it raises concerns that patronage is displacing merit. The huge overlap between gubernatorial contributors and appointees strongly suggests that Governor Perry has an affirmative-action program for wealthy donors."

Governor Perry's educational appointees were the most generous donors. Texas Tech Regent Larry Anders, who heads Plano-based life insurer Summit Alliance Companies, contributed \$220,304, making him Perry's No. 1 donor-appointee. Four other regents made six-figure donations to Perry's campaign: UT Regents Robert Rowling (\$207,262) and James Huffines (\$122,180); Texas Tech Regent J. Frank Miller (\$175,000); and A&M Regent Erle Nye (\$131,000).

Perry Homes attorney John Krugh boasted the most employer-related contributions. Krugh's employer, Bob Perry, is Texas' No. 1 individual donor. Since 2000, Bob Perry has given \$690,000 to Governor Perry (no relation). Meanwhile Krugh drafted legislation creating the Texas' Residential Construction Commission. Governor Perry then appointed Krugh and other industry-friendly representatives to the new commission, which slams the door on consumers with lemon-home complaints.

The timing of these donor-appointee contributions ran the gamut, with some appointees contributing pre-appointment, some post-appointment and many giving before and after Perry picked them. Oddly, Perry's campaign contribution reports repeatedly failed to disclose the employers of large donors whom he already had appointed to state office. This occurred despite the fact he previously had reported this information in press releases announcing gubernatorial appointments, and despite a 2003 law that requires campaigns to use their "best efforts" to disclose this information for donors of \$500 or more.

Perry's campaign reported that it exhausted its "best efforts" trying to identify the employer of William F. Scott of Nederland, for example, after he gave the governor \$20,000 in May 2004. Yet when Governor Perry appointed Scott to the Jefferson and Orange County Pilot Commission six months earlier, the governor's office issued a press release that clearly identified Scott as Chair and CEO of Trans-Global Solutions shipping company.

"The governor's failure to disclose legally required information about large donors whom he already appointed to state office suggests that he does not take seriously a campaign disclosure reform that he personally signed into law three years ago," said Texans For Public Justice Research Director Andrew Wheat.

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Texans for Public Justice is a non-profit, non-partisan research and advocacy organization that tracks the role of money in Texas politics.

¹ *Governor Bush's Well-Appointed Texas Officials*, which TPJ published in October 2000, just tracked the gubernatorial contributions of a limited number of state officials.