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December 1, 2005

Honorable David Escamilla
Travis County Attorney
314 W. 11th St., #300
Austin, Texas 78701

County Attorney Escamilla:

Texans for Public Justice, Common Cause Texas and Public Citizen Texas have reason to believe that Mr. Ralph Reed of Atlanta, Georgia violated Texas Government Code Section 305 by failing to register as a paid lobbyist while lobbying the members of the Texas State Legislature, officials within the State Attorney General's office and, perhaps, other Texas officials on behalf of his paying client Mr. Jack Abramoff during 2001 and 2002. Below, we outline facts as we know them that substantiate this claim. We are formally asking your office to investigate these apparent violations and, if the evidence warrants, to prosecute Mr. Reed and other offending parties.

Lobby Registration Required by Mr. Ralph Reed

Based on information and belief, Century Strategies lobbyist Ralph Reed received substantial compensation for lobby activities conducted in Texas in 2001 and 2002. Yet Mr. Reed failed to register as a lobbyist with the Texas Ethics Commission as required by law. Under the Government Code 305.003(a)2 it is our belief that Mr. Reed was required to complete a lobby registration and disclose his clients and compensation. Under current Ethics Commission rule 1 TAC Sec. 34.43, a person who receives more than \$1,000 in a calendar quarter as compensation or reimbursement to lobby must register as a lobbyist.

Known Facts About Mr. Reed's Texas Lobbying Activity

Electronic correspondence that the U.S. Senate Committee on Indian Affairs made public in conjunction with a series of hearings during the summer and fall of 2004 and November 2005 indicates that then-Greenberg Traurig lobbyists Jack Abramoff and Michael Scanlon hired Century Strategies and Mr. Reed in 2001 to lobby Texas state officials to:

- Shut down the Tigua Indian Tribe's Speaking Rock Casino near El Paso; and
- Kill a 2001 Texas bill that sought to keep Speaking Rock Casino in business.

Mr. Reed's ultimate lobby client appears to have been the Coushatta Tribe of Louisiana, which first hired Mr. Abramoff and Scanlon in April 2001 (see enclosed federal lobby filings). The Louisiana Coushatta had an interest in eliminating competing casinos in Texas.

Mr. Abramoff hired Mr. Reed in 2001 to block a bill in the Texas Legislature (HB 514) that sought to keep Speaking Rock Casino running, the *Atlanta Journal-Constitution* reported (June 19, 2005). An attached memo from Mr. Reed to Mr. Abramoff outlines a strategy plan of Mr. Reed's to stop HB514. Mr. Reed's hiring occurred at approximately the same time that the Louisiana Coushatta hired Mr. Abramoff. Mr. Abramoff later took credit for killing the 2001 Speaking-Rock bill. "We successfully stopped this bill after it passed the House using the Lieutenant Governor (Bill Ratcliff) [*sic*] to prevent it from being scheduled in the Senate," Mr. Abramoff wrote in a February 2003 memo. Discussing this memo, the *Texas Observer* recently reported that then-Lieutenant Governor Ratliff has acknowledged meeting with Mr. Reed at that time. Mr. Ratliff told the *Observer* that he and Mr. Reed did not discuss gambling legislation but did discuss other legislative issues. ("Senatorial Courtesy," August 26, 2005).

Mr. Reed's own correspondence with Mr. Abramoff in 2001 and 2002 substantiates reports that he was directly lobbying Texas officials at this time. What follows in italics are excerpts of Mr. Reed's electronic correspondence with Mr. Abramoff. (All correspondence is attached.)

November 12, 2001 5:55 p.m.

From: Ralph Reed

To: Jack Abramoff

great work. Get me details so i can alert [then-Texas Attorney General John] cornyn and let him know what we are doing to help him. . . .

talked to [Second Baptist Church of Houston Minister] ed young again today. Incredibly engaged and excited. He is planning on hosting a breakfast with the top pastors in Houston to get them all mobilized and to provide cover for cornyn. we may invite cornyn to address them.

November 13, 2001 3:00 p.m.

From: Ralph Reed

To: Jack Abramoff

i strongly suggest we start doing patch-throughs to [Governor Rick] perry and cornyn. we're getting killed on the phones.

November 14, 2001 10:01 p.m.

From: Ralph Reed

To: Jack Abramoff

Subject: Re: After Cornyn gets whacked in El Paso, let's talk on the phone

Ok. We are sending 50 pastors to give him moral support.

November 30, 2001 9:40 a.m.

*From: Ralph Reed
To: Jack Abramoff
Subject: tx*

...I spoke with Ed Young last night and he will personally present the letter to Cornyn and urge that something be done now... We have also choreographed Cornyn's response. The AG will state that the law is clear, talk about how much he wants to avoid a repetition of El Paso, and pledge to take swift action...

Note: After the *El Paso Times* reported in late 2001 on the "more than \$20,000" that Rick Perry's campaign took from the Tigua tribe, Abramoff-Scanlon correspondence suggests that this explains why Mr. Reed's lobbying is not swaying Mr. Perry. After Mr. Abramoff complains that Mr. Perry must return the Tigua tribe's money, Mr. Reed said he is reaching out to the "right people."

December 5, 2001 8:44 a.m.

*From: Mike Scanlon
To: Abramoff
Subject: FW: TIGUA NEWS-Tiguas gave candidates more than \$500,000*

Maybe this is why Ralph can't get Perry to do anything!

December 5, 2001 9:17 a.m.

*From: Jack Abramoff
To: Ralph Reed
Subject: RE: TIGUA NEWS-Tiguas gave candidates more than \$500,000*

Perry has to return that contribution!!! Oh my goodness!! What was he thinking taking that money? He has to come up with some spin on this fast and get that money back to them, and then take decisive and public action to smash them, and the [redacted]

December 5, 2001 9:34 a.m.

*From: Ralph Reed
To: Jack Abramoff
Subject: RE: TIGUA NEWS-Tiguas gave candidates more than \$500,000*

we're getting this in the water with the right people.

In tracking the appellate progress of the State of Texas' lawsuit against Speaking Rock Casino, Mr. Reed appears to have been in direct contact with the head of the Office of the Texas Attorney General's criminal division.

January 7, 2002 9:21 a.m.

From: Ralph Reed

To: abramoffj@[redacted]

we are discussing this with the head of criminal division today; looks like the heads up that we got on December 15, and which i passed on to you that evening, is finally happening, but we will confirm and provide you with additional G-2. we did get our pastors riled up last week, calling his office. maybe that helped but who knows.

January 7, 2002 11:48 a.m.

From: Ralph Reed

To: abramoffj@[redacted]

we have talked to the AG's office. here's the skinny:

[Mr. Reed then describes the status of Texas' anti-casino lawsuit.]

When Mr. Abramoff urges Mr. Reed to recruit cooperative Texas lawmakers—called “tigers”—to introduce anti-gaming legislation, Mr. Reed tells Abramoff he’s on it.

January 7, 2002 9:41 a.m.

From: Ralph Reed

To: abramoffj@[redacted]

we have tigers. tx leg only in session every other year. let me check. good idea.

January 7, 2002 9:43 a.m.

From: abramoffj@[redacted]

To: Ralph Reed

Great. thanks Ralph. we should continue to pile on until the place [Speaking Rock] is shuttered. Perhaps we could get one of our guys in the legislature to introduce a bill which disqualifies from state contracts any vendor who provides goods or services to a casino in the state? This way Perry and Cornyn can sit back and not be scared. Let one of our tigers go get em. Do we have someone like this and can we get it introduced as soon as possible?

January 7, 2002 10:12 a.m.

From: abramoffj@[redacted]

To: Ralph Reed

Even if we never get it passed, it will scare the you know what out of vendors and make life tough on the tribe. We should do it in Alabama too.

January 7, 2002 10:13 a.m.

From: Ralph Reed

To: abramoffj@[redacted]

easy to get our tigers to introduce that in both places. alabama session begins tomorrow.

January 7, 2002 9:18 p.m.

From: Ralph Reed

To: abramoffj@[redacted]

Done. Hope these developments help with client. I think we should budget for an ataboy for cornyn.

January 8, 2002 11:31 a.m.

From: abramoffj@[redacted]

To: Ralph Reed

Great. As to the legislative proposal, even though they don't meet, we could have one of the tigers announce that he is going to introduce it next session, so we scare them out of working with these casinos. It should be someone who is mega safe from a district not near these. Also, we have to fire some shots at Kickapoo.

After the courts ordered Speaking Rock Casino shuttered, Abramoff directed Mr. Reed to press the Texas Attorney General to close a casino in Livingston, Texas operated by the Alabama Coushatta (or "AC").

February 11, 2002 1:56 p.m.

From: Ralph Reed

To: Jack Abramoff

major victory. now it's on to Livingston. But note they plan a legislative battle now that they have lost in the courts

February 11, 2002 8:03 p.m.

From: abramoffj@[redacted]

To: Ralph Reed

Ultimately, as you can imagine, the main target is the AC. I wish those moronic Tiguas were smarter in their political contributions. I'd love us to get our mitts on that moolah!! Oh well, stupid folks get wiped out. Now let's get AC.

February 12, 2002 9:24 a.m.

From: Ralph Reed

To: Jack Abramoff

got it. we're talking to our contacts today. Now that we have the supremes on board, we're pushing hard for immediate lower court action on the AC. they

want to do that and are willing, but in the end its up to the judge...expect to have an update for you later today.

Information About Mr. Reed's Lobby Compensation:

Mr. Reed and his firm were well compensated for this Texas lobby effort, according to numerous media reports:

- The *Washington Post* reported that Mr. Reed acknowledged receiving more than \$1 million for his work for Mr. Abramoff and Mr. Scanlon (August 30, 2004);
- *Roll Call* reported that Mr. Scanlon paid Mr. Reed “more than \$3.8 million during a year-long period in 2001 and 2002” (August 30, 2004);
- *U.S. News* reported that Mr. Abramoff and Mr. Scanlon “sent \$4 million” to Reed “to run a grass-roots operation to generate support for Cornyn’s effort to shut Speaking Rock” (August 29, 2005); and
- The *Atlanta Journal-Constitution* reported that “Reed was paid \$4.2 million to build public support for closing the Tigua casino in El Paso” (May 20, 2005).

We appreciate your attention to this matter. Please feel free to contact us if you need further information or clarification.

Sincerely,

Suzy Woodford, Executive Director
Common Cause Texas

Craig McDonald, Director
Texans for Public Justice

Tom “Smitty” Smith, Director
Public Citizen Texas

Enclosures: