

# Texans for Public Justice

## Annual Activity Report 2008

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**κ Texans for Public Justice**

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# **Texans for Public Justice Annual Activity Report 2008**

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The following is a summary of activities undertaken by Texans for Public Justice during calendar 2008.

The projects detailed below were carried out by Texans for Public Justice, a 501(c)4 non-profit organization, through the Texas Public Justice Research Program. Many of the activities were funded by grants initially made to The Public Justice Foundation of Texas, a 501(c)3 research foundation that supports the tax-exempt research and public educational activities of Texans for Public Justice.

## Sections:

- Major Reports
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- Coalition Activity & Public Education Efforts
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- Judicial & Campaign Reform Advocacy
- Data Collection & Enhancement
- Information, Media & Web Resources
- Staffing
- Financial

# Major Reports

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- **Published Biennial Analysis of Lobby Activity**
- **Published Two New Groundbreaking Reports on Texas Political Expenditure Activity**
- **Published Analysis of Supreme Court Candidate Fundraising**

## Major Report Summaries

**Austin's Oldest Profession: Texas' Top Lobby Clients and Those Who Service Them – 2008 Edition** (September 10, 2008) – This recurring biennial report tracks lobbying activity reported to the Texas Ethics Commission during the previous session of the state legislature. The report detailed that special interests spent up to \$348 million on Texas state lobby contracts in 2007. In 2007 special interests doubled what they spent 10 years earlier and increased spending 15 percent over the preceding legislative year of 2005. By the end of 2007, 1,629 lobbyists reported 8,166 paid contracts with 2,706 different clients, according to the research. [Read the report at TPJ.](#)

**Capitol Spending: Officeholder Expenditures in 2007** (January, 2008) – This is the first report published in Texas to comprehensively analyze how state legislators and top statewide elected officials spent \$9.5 million from their political campaign accounts. Researchers classified the \$9.5 million in political expenditures into 12 spending categories. The top five categories accounted for 70 percent of all the money: Staff & Consultants (28 percent); Rent Payments (11 percent); Travel & Lodging (11 percent); Administrative/Office (10 percent); and Gifts/Charitable Contributions (10 percent). The report found huge disparities in the amounts spent by Texas officials—as well as in what officials chose to spend this money on. [Read the report at TPJ.](#)

# Major Reports Con't.

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**Supreme Spending: Political Expenditures by Texas' High-Court Justices** (March 12, 2008) – Texas' judicial-selection system creates serious conflicts of interest. TPJ's new study of political expenditures by the nine members of the Texas Supreme Court, *Supreme Spending: Political Expenditures by Texas' High-Court Justices*, finds troubling evidence that justices are misusing political funds. From January 2001 through June 2007, the nine current justices reported making 9,699 expenditures of political funds, adding up to a total of almost \$6.9 million. Predictably, this spending tended to spike in election years and to subside during non-election years. [Read the report at TPJ.](#)

**Courtroom Contributions Stain Supreme Court Campaigns** (October, 2008) – This major report analyzed fundraising by six 2008 candidates for three Texas Supreme Court seats. The report concluded that the six candidates took two-thirds of the \$2.3 million that they raised for their campaigns from lawyers and litigants who have had business before that court since 2005. The three incumbent justices running for reelection raised almost \$1.6 million. These justices took 65 percent of their campaign funds from “courtroom contributors” who had recent business before the Supreme Court. Forty percent of the cases before the three incumbent justices involved one or more campaign contributors. [Read the report at TPJ.](#)

# Lobby Watch

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- **Lobby Watch Roamed the Special Interest Beat**

*Lobby Watch* is TPJ's periodic newsletter that tracks special interests seeking legislative and regulatory favors. The newsletter exposes who these interests are, what they want and how much they pay for it through campaign contributions and lobby efforts.

## **Summary of Lobby Watch Reports**

### **Bipartisan “Texas Jobs PAC” Defends Speaker’s Job**

(February 2008) - A newly revived state PAC recently reported that it received \$250,000 from embattled Republican House Speaker Tom Craddick on January 10—one day before it contributed \$150,000 of that money to three House Democrats who backed Craddick as speaker. [Read the Lobby Watch at TPJ.](#)

### **Industry Pays Tribute to the King of Dereg**

(February 2008) The *Dallas Morning News* recently published a graph showing how Texans' electric rates shot past the national average after deregulation hit Texas in January 2002. Yet the graph failed to address how deregulation has affected the politicians who—all evidence to the contrary—have sold deregulation as a boon to consumers. [Read the Lobby Watch at TPJ.](#)

### **TRMPAC Donors Financed TRMPAC Judges’ Campaigns**

(September 2008) The three GOP judges who went out of their way to rule for Tom DeLay's Texans for a Republican Majority PAC (TRMPAC) last month took 10 percent of the money for their most recent campaigns from donors who also financed TRMPAC. Twenty crossover donors gave \$637,150 to TRMPAC and \$119,825 to the TRMPAC justices. [Read the Lobby Watch at TPJ.](#)

# Lobby Watch Con't.

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## **Sun Never Sets On Politicians Taking Homebuilder Money**

(September 2008) The Texas Residential Construction Commission (TRCC) is undergoing a state Sunset Commission review to determine if it merits the tax dollars it consumes. Consumer and homeowner groups support the Sunset staff's recent recommendation to scrap the agency because it adds insults to the injuries of those who buy lemon homes. [Read the Lobby Watch at TPJ.](#)

## **Lawsuit Foe Pickens Sues Bankrupt Bank**

(October 2008) Lawyers for Dallas billionaire T. Boone Pickens—who spent \$1 million over the last four years to slam courtroom doors in the faces of Texas plaintiffs—traveled 1,500 miles this month to file a \$60 million lawsuit against the bankrupt investment bank Lehman Brothers. That takes what people in Manhattan, where Pickens filed his lawsuit, call “chutzpah.” [Read the Lobby Watch at TPJ.](#)

## **TRMPAC Donors Moved Another \$2 Million To Craddick**

**PACs** (November 2008) Since Tom Craddick became House Speaker in 2003—with a little help from his friends at Tom DeLay's now-indicted Texans for a Republican Majority PAC (TRMPAC)—65 former TRMPAC donors have given almost \$2 million to the two main PACs defending Craddick's tenuous grasp on the Speaker's gavel. [Read the Lobby Watch at TPJ.](#)

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# Public Assets Project

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- **Project Explores the Misuse and Abuse of the Public Commons, Exposing Pitfalls of Privatization & Corporate Welfare**
- **Publishes Six Editions of *Watch Your Assets* reports in 2008 ranging from prison privatization to film and TV-production subsidies.**

In April 2007, Texans for Public Justice unveiled a new project focused on the misuse and abuse of the public commons. The *Watch Your Assets* series investigates how private interests profit off such public assets as tax dollars and such basic resources as the air, water and land. The *Watch Your Assets* reports also draw connections between the companies profiting off public resources and the political influence that steers public assets into private hands.

As an innovator in privatization efforts, the state of Texas is a case study rich with dreams and schemes on how to transfer public assets to the private sector. “Watch Your Assets” has investigated topics ranging from water privatization, economic development incentives, tax breaks, health and human services privatization and eminent-domain powers.

Some common themes have emerged in our reports. Private companies are profiting while the public at large is losing out, whether through misuse of public money or mismanagement of limited natural resources such as clean, fresh water. Public dollars flow to private companies, while essential public works projects are starved of financial resources. Often the neediest are hurt, while wealthy corporations benefit. Once public resources are transferred to private hands, local and state governments exercise inadequate oversight facilitating abuse, manipulation and neglect. Governments impose few penalties on private companies that are poor stewards of public resources.

# Public Assets Project Con't.

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## **Watch Your Assets Reports Published in 2008**

### **Lax Oversight Plagues Private Prisons** (February 2008)

For its own facilities, the Texas Department of Criminal Justice dutifully maintains records on such matters as the number of officers each facility employs and which employees have been disciplined. The agency does not collect this data for its privately-operated facilities, which cost the state over \$200 million a year. Despite squalid conditions at a youth detention center which led to a cancellation of its contract, private prison corporation GEO Group continues to operate nine corrections facilities in Texas. [Read the report at TPJ.](#)

### **Privatizing the Lottery Raises Gambling Stakes**

(March 2008) - Last year Governor Rick Perry proposed selling or leasing the Texas Lottery to collect a quick payout of somewhere between \$14 billion and \$20 billion. Projections that the financial and gambling industries have submitted to the governor's office make clear that the state cannot raise a payout of this size unless gambling is significantly expanded in the state. [Read the report at TPJ.](#)

### **How Midland Stopped Worrying and Learned to Love the Corporate Dole** (June 2008)

- In 2001 Midland's conservative voters swallowed concerns about government economic planning to approve a tax to promote economic development and diversification. The Midland Development Corp. has awarded millions of tax dollars to handpicked companies to diversify Midland's dependence on oil. Yet these big-ticket investments have been spectacular flops. Now the agency increasingly invests in the booming oil industry--which needs no government aid. [Read the report at TPJ.](#)

# Public Assets Project Con't.

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## **'Governor Handout' Trashes the Bailout** (October 2008)

Texas Governor Rick Perry has sown confusion with recent contradictory statements about the \$700 billion Wall Street bailout. His populist aversion to "using taxpayer dollars to bail out corporate America" is surprising--given the hundreds of millions of tax dollars that his administration has doled out to private businesses, including subprime mortgage giants. [Read the report at TPJ.](#)

## **Imminent Domain: Will Austin Voters End Retail**

**Subsidies?** (October 2008) In 2003, the City approved \$65 million in publicly-funded subsidies to The Domain "lifestyle" mall in north Austin, operated by mall behemoth Simon Properties. Now the Stop Domain Subsidies coalition is asking voters to approve a ban on retail subsidies. Such policies funnel taxpayer money to retailers that compete with local businesses, instead of investing the funds in public services.. [Read the report at TPJ.](#)

## **Race to Subsidize Movie Industry Sucks in Miscast Texas**

**Taxpayers** (December 2008) - Texas taxpayers are being conscripted into an epic battle to see which state treasury will give movie producers the fattest subsidies. Film lobbyists now are preparing to press state lawmakers to triple Texas' current subsidies in an effort to compete with states that pay up to 40 percent of a film's budget. In addition, few Texas taxpayers realize that they underwrite television programs and even pick up the tab for TV commercials promoting Fortune 500 companies! [Read the report at TPJ.](#)

# Coalition Building and Public Education Activities

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**TPJ organized or helped organize several coalitions related to public safety, corporate accountability and independent courts. For example:**

- In coalition with labor, consumer and public safety organizations TPJ mounted a public education campaign urging the Texas Supreme Court to allow the civil deposition of Lord Browne. The issue arose in litigation over a major industrial accident at a BP refinery when Lord Brown headed that corporation.
- TPJ organized a coalition of national safety experts and legal scholars in opposition to a proposed plea bargain between the U.S. Department of Justice and BP over criminal activity at BP's ill-fated Texas refinery.
- In coalition with health, safety, labor, and victims, TPJ ran a public education campaign to overturn an activist, anti-worker ruling by the Texas Supreme Court.

# Government Accountability Activities

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**As an independent government ethics watchdog, TPJ filed several formal complaints with Texas prosecutors and regulatory agencies. These include:**

- A criminal complaint with the Travis County Prosecutor's office regarding then-House Speaker Tom Craddick's apparent violation of campaign finance laws.
- A criminal and civil complaint against 3<sup>rd</sup> Court of Appeals Chief Judge Ken Law for repeated violations of campaign laws.
- A complaint with the Texas Commission on Judicial Conduct against 3<sup>rd</sup> Court of Appeals Judge Alan Waldrop for participating in a criminal case involving Tom DeLay. TPJ argued that the judge should not have participated because he previously represented Texans for Lawsuit Reform in a related case.
- A criminal complaint with the Travis County Prosecutor's office to force Lt. Governor David Dewhurst to publicly disclose personal assets he failed to list in mandatory financial disclosure filings.

# Judicial & Campaign Reform Advocacy

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- **A founding participant in the Texas Fair Courts Coalition.**
- **Promoted the Make Democracy Work agenda.**
- **Active member of Texas democracy reform community.**
- **Served as a resource witness for the Legislature on major democracy reform and accountability issues.**

TPJ's research on money in politics has garnered enormous state and national media coverage, prompted significant political reforms and triggered several serious civil and criminal court actions. While TPJ's research stands alone—it is undertaken with an eye toward fostering public debate on public policy. Our research is planned to be strategic – it is designed to show the need for political reform. TPJ's post-research role is that of advocate. Through a range of earned media and organizing strategies, TPJ helps focus public discussion on reforms that empower average Texans in the political process.

During 2007 and 2008, TPJ promoted public education and advocacy activities on fundamental policy reforms in Texas. It has done so in a number of venues and circumstances, working with citizen coalitions, organizing media events, and participating in public hearings.

# Judicial & Campaign Reform Advocacy, Con't.

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## **Reforms advocated by TPJ in 2008 included:**

- Place a \$100,000 aggregate limit on individual contributions to Texas candidates and political committees.
- Set reasonable limits on all contributions to Texas candidates and political committees.
- Close the revolving door between the legislature and the lobby by requiring a two-year cooling off period.
- Encourage the legislature to overturn an activist workers' compensation opinion rendered by the Supreme Court.
- Establish a recusal standard for judges accepting contributions from interested litigants.
- Keep judges independent by appointment and retention elections or publicly financed judicial elections.
- Require Texas Supreme Court judges to disclose their votes on whether to accept or reject a particular case.
- Create an independent redistricting commission.
- Restrict corporate-financed political ads.

# Data Collection & Enhancement

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- **In 2008 TPJ added 1.1 million campaign contribution records to our databases.**
- **In 2008 TPJ added 9,200 lobbying contract records to our databases.**

TPJ is Texas' only public-interest group that amasses comprehensive data on campaign contributions and lobby expenditures. After gathering these data, TPJ enhances their value by identifying the economic interests behind Texas PACs, campaign contributors and lobby clients. Although onerous, this work allows TPJ alone to: Rank the state's top donors, PACs and lobbyists; Analyze political money by industry; and Identify emerging political trends.

Keeping these huge databases current requires a full-time database specialist and a part-time researcher. After major filing dates for campaigns and lobbyists, these employees require additional assistance from interns or temporary employees.

During 2008 TPJ added 1.1 million campaign-contribution records to our databases. From these 1.1 million transactions, TPJ identified and assigned unique contributor identification numbers and economic-interest codes to tens of thousands of previously unidentified major donors.

TPJ also maintains a database of approximately 90,000 state lobby contracts dating back to 1995. TPJ identifies the interests of each lobby client and assigns them an economic-interest code, which allows us to comprehensively analyze the lobby. During 2008 we added over 9,000 lobbying contracts to our database.

# Information, Media & Web Resources

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- **TPJ's reports and news releases are circulated to more than 3,000 citizens, activists, decision makers and reporters.**
- **In 2008 TPJ generated dozens of news stories in Texas media outlets.**
- **Our reference reports are an ongoing source of information for the media and academics.**
- **TPJ staff appeared as experts and commentators in numerous print publications and electronic media stories from national network news broadcasts to local community newspapers.**
- **In 2008 TPJ's website received an average of 22,000 visitors each month.**

# Staffing

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TPJ carried out its 2008 activities with five full-time staff members and a part-time research assistant aided by several interns from the University of Texas, Harvard University and St. Edwards University.

TPJ staff:

**Craig McDonald**

Executive director and primary spokesperson.

**Andrew Wheat**

Research director and spokesperson.

**Lauren Reinlie**

Director of the Public Assets Project.

**Sean Chitty**

Database specialist and webmaster.

**Nhu Truong**

Researcher, layout and design specialist and administrative assistant.

**Paul Heberling**

Research assistant intern (part-time).

# Financial

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Texans for Public Justice's operating budget for 2008 was \$270,000.\*

Funding is provided by individual contributors and foundation grants. TPJ does not accept government or corporate grants.

Foundation support was provided by:

The Arca Foundation  
The Magnolia Trust  
The Open Society Institute  
The Winkler Foundation

Copies of IRS Forms 990 for Texans for Public Justice and The Public Justice Foundation of Texas are available upon request.

\* Texans for Public Justice is a 501(c)4 organization. It does not engage in direct or grassroots lobbying activity. Much of the exempt research activity of Texans for Public Justice is supported by grants from The Public Justice Foundation of Texas. The Public Justice Foundation is a 501(c)3 charitable foundation organized to support the exempt activities of Texans for Public Justice.