

News Release

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Lottery Commission Hopeful Heflin Has Disturbing Gambling Ties

- **Ralph Reed Targeted Him in 2001 Texas Indian-Casino Lobby Scam.**
- **Heflin Took \$29,392 From Slots Interests in 2004.**

Austin, Texas: The possible future executive director of the scandal-plagued Texas Lottery Commission would come to the job with disturbing ties to the gambling industry. Lobbyist Ralph Reed targeted then-Rep. Talmadge Heflin in 2001, when Reed and now-indicted federal lobbyist Jack Abramoff were helping to orchestrate a crackdown on Texas Indian casinos on behalf of a competing tribe in Louisiana. Heflin also took \$29,392 from donors with an interest in legalizing slot machines for his failed 2004 reelection campaign.

Correspondence recently released by the U.S. Senate Committee on Indian Affairs reveals that Reed wrote Abramoff in April 2001 that he was targeting Heflin in their efforts to defeat legislation that sought to legalize legally questionable Indian casinos in Texas (HB 514). Reed's email informs Abramoff that he is "Visiting with the staff of Rep. Talmadge Heflin to see where Rep. Heflin is on the HB 514." Reed also writes that he would, "See who out of Reps. Talton, Corte Heflin and Wohlgemuth is close to Rep Walker to see if they are willing to call Rep. Walker to get the bill held up in Calendars Committee." While the House passed HB 514, it died in the Senate Business and Commerce Committee.

During the 2004 election cycle, when Governor Rick Perry proposed legalizing so-called video lottery terminal slot machines (VLTs) at racetracks and Indian reservations, track and casino interests contributed \$29,392 to Heflin's House reelection campaign—which he lost by 16 votes. The Lottery Commission, which recently recruited Heflin to apply to be its director, triggered a scandal last year after it hired a Las Vegas law firm that represents casinos to draft legislation to legalize VLTs in Texas. If Texas does legalize these slot machines, the Lottery Commission is expected to regulate this gambling industry.

"A Lottery Commission that produces more scandals than jackpots should be going out of its way to hire a director who is free of any hint of conflict," said Texans for Public Justice Director Craig McDonald. "Instead, this commission has recruited a candidate who took tens of thousands of dollars from slot-machine interests. The public needs to know, and the commission should investigate, what role—if any—Heflin had in the great Indian-gaming lobby scam that Reed and Abramoff perpetrated in Texas."

Slot Machine-Related Contributions to Heflin in the 2004 Election Cycle

| Contributor Name | City | Amount | Employer | VLT Interest |
|--|---------------|-----------------|----------------------------------|--------------|
| Robert McNair Jr. | Houston | \$6,292 | Cogen Tech./Houston Texans | Horseracing |
| MAXXAM Inc. | Houston | \$6,000 | MAXXAM Inc. | Horseracing |
| Landry's Restaurants PAC | Houston | \$5,000 | Landry's Restaurants | Casinos |
| Harlan R. Crow | Dallas | \$2,500 | Crow Holdings | Horseracing |
| Peter & Julianna Holt | Blanco | \$1,000 | Holt Companies | Horseracing |
| Robert L. Kaminski | Dallas | \$1,000 | Sagebrook Technology Partners | Horseracing |
| Joe V. LaMantia Jr. | McAllen | \$1,000 | L & F Distributors | Horseracing |
| Greg LaMantia | McAllen | \$1,000 | L & F Distributors | Horseracing |
| Joe/Jocelyn Straus Jr. | San Antonio | \$500 | Watson Mazur Bennett & Straus | Horseracing |
| Bryan/Michelle Brown | San Antonio | \$500 | Retama Entertainment Group | Horseracing |
| Thomas R. Johnson | San Antonio | \$500 | Retama Entertainment Group | Horseracing |
| Christopher Hall | Miami FL | \$500 | MS Management | Horseracing |
| Tommy Azopardi | Wimberley | \$500 | Texas Horseman's Partnership | Horseracing |
| Charles W. Graham | Elgin | \$500 | Veterinarian | Dog racing |
| B.J. 'Red' McCombs | San Antonio | \$250 | Red McCombs Auto Group | Horseracing |
| Albert M. Biedenharn III | San Antonio | \$250 | Osborn Heirs Co. | Horseracing |
| Helen Kleberg Groves | San Antonio | \$250 | Groves Alexander Group | Horseracing |
| W. Darrell Willerson Jr. | San Antonio | \$250 | Self | Horseracing |
| George A. Wolff | Boerne | \$250 | Self | Horseracing |
| Texas Quarter Horse Association PAC | Austin | \$250 | Texas Quarter Horse Assoc. | Horseracing |
| Joe H. Carothers | Copperas | \$250 | Carothers & Associates PC | Horseracing |
| Texas Horseman's Partnership LLP PAC Account | Austin | \$250 | Texas Horseman's Partnership | Horseracing |
| Robert A. Gentry | Lubbock | \$200 | Great Plains Distributors LP | Horseracing |
| Meredith Mallory Jr. | San Antonio | \$175 | Meredith Mallory Jr. Investments | Horseracing |
| Peter C. Selig | San Antonio | \$125 | Self | Horseracing |
| Alan C. Jones IV | Corpus | \$100 | Jones Ranch | Horseracing |
| | TOTAL: | \$29,392 | | |

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