

# News Release

---

Texans for Public Justice \* 609 W. 18<sup>th</sup> Street, Suite E, \* Austin, TX 78701 \* tpj.org

For Immediate Release:  
September 21, 2011

Contact: Craig McDonald,  
Andrew Wheat  
PH: (512) 472-9770

## **Perry's Portfolio Imbrolio:**

### **Governor's Blind Trust Had Stakes In Company of Perry's Ex-Roommate & Trans-Texas Corridor Architect Ric Williamson**

#### **Enterprise Fund Recipients and RGA Donors Also Dot Governor's Portfolio**

Austin--The managers of Governor Rick Perry's blind trust appeared to have an almost uncanny knack for investing in interests near and dear to Governor Perry. Perry's recently disclosed portfolio contains investments in the company of one of Perry's closest political associates. It also contains stock in companies that received taxpayer grants from Perry's Texas Enterprise Fund or that funneled political money to Perry's campaign or to the Perry-led Republican Governors Association. Perry has a history of doing personal business deals with such cronies as State Senator Troy Fraser, mega-contributor James Leininger, contributor and Perry donor and appointee Tim Timmerman (assisted by Mike Toomey).

At least one personal investment that Governor Perry disclosed in opening up his 15-year-old blind trust does not appear to be totally blind—except to the extent that love is blind. Governor Perry reported an unquantified stake in MKS Natural Gas Co. of Weatherford, Texas. Ric Williamson, who was Perry's roommate and mentor in the Texas House in the late 1980s, founded MKS. Perry reported payments from MKS of between \$10,000 and \$24,999 in 2010. Ric Williamson previously disclosed that he held between 500 and 999 shares in MKS. The value of shares in that privately held company is not known. It was not immediately clear if Perry's MKS holding preceded his 1996 creation of the blind trust.

In March 2001 Perry appointed Williamson to the Texas Transportation Commission, where he was a leading architect of Perry's ultimately stalled plan to build the Trans-Texas Corridor, a 4,000-mile toll road system. The public hit the brakes on the scheme out of opposition to toll roads and the staggering use of eminent domain that it presupposed. Texas awarded some related financing and construction contracts before pulling the plug on the project. Several of those contractors have been generous to Perry and the Perry-led Republican Governors Association. They include Williams Brothers Construction (\$621,000 to Perry/RGA), Parsons Corp. (\$410,000) and JPMorgan Chase (\$191,500)

After Williamson died in late 2007, Perry appointed widow Mary Ann Williamson to the Texas Lottery Commission in October 2008 and made her chair of that body the following year. Governor Perry proposed privatizing the lottery in early 2007. Like the Trans-Texas Corridor idea, that never gained traction. The Texas Lottery recently renewed the contract of GTECH Corp., which has run the Texas Lottery since its inception. ~~“As I have said over and over and over again, you guys are the easiest people in the world to brag on,”~~ Lottery Commission Chair Mary Ann Williamson said of GTECH in January

-More-

2011. “I would take you anywhere and run any business, whether it’s under a government or under the SEC.” GTECH, which is prohibited from contributing to Perry’s campaign, gave \$450,000 to the Republican Governors Association since Perry became involved in that group in 2006.

*(Correction: Commissioner Williamson informed TPJ that the above quote referred to the staff of the Lottery Commission and not to GTECH. We regret the error.)*

Perry reported 100 to 499 shares in payroll company Automatic Data Processing (ADP). In 2006 Perry’s Texas Enterprise Fund awarded \$3 million to ADP to open a facility in El Paso. ADP CEO Gary Butler gave \$6,250 to the Perry-associated Republican Governors Association (RGA) in 2010.

Perry reported a loss of \$5,000 to \$9,999 on the sale of 500 to 999 shares of General Electric. Perry’s Enterprise Fund awarded \$4.2 million to GE’s transportation division in May of this year for a locomotive plant in Fort Worth. GE also is a partner in a biomedical imaging center that got \$25 million from the Enterprise Fund in 2004. GE gave \$18,000 to Perry and \$821,719 to the RGA.

Perry reported selling 100 to 499 shares of Hewlett-Packard at a loss of less than \$5,000. Perry’s Texas Enterprise Fund awarded \$5 million to Hewlett-Packard in 2006 to open four data centers. The parties terminated that failed contract in 2006. HP gave \$22,000 to Rick Perry and \$795,147 to the RGA.

Perry reported fewer than 100 shares in drug maker Novartis. In both 2009 and 2011 Perry signed into law mandates requiring college students to receive a meningitis vaccine aggressively pushed by Novartis. Novartis contributed \$5,000 to Perry’s campaign and \$700,000 to the RGA.

Perry reported 100 to 499 shares in pest-control company Ecolab, Inc., which gave \$100,000 to the RGA in October 2010.

Perry reported a net loss of less than \$5,000 on the sale of 500 to 999 shares of slot machine manufacturer Multimedia Games. Gordon Graves, Multimedia’s former Chair and CEO, gave \$175,000 to the RGA in 2007 and 2008. Graves was involved in Perry’s failed efforts to privatize the Texas Lottery and was indicted in late 2008 for operating allegedly illegal gambling machines in Texas. Perry proposed legalizing slot machines at Texas Indian reservations and racetracks in 2004. The industry is regulated by Perry appointees on the Texas Racing Commission and several of his major contributors have interests in track licenses (see for example Texas A&M Regent Phil Adams [\$289,593 to Perry], trial lawyer Mike Gallagher [\$100,000 to Perry] and Charles Hurwitz and Maxxam, Inc. [combined \$86,000 to Perry]).

Given that Perry reported stock holdings in just 37 companies, a surprising number of these blind stock picks enjoy ties to the governor.

###

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