

The Incidence of Coincidence In Perry's Political Career

“I'm a big believer that nothing happens by coincidence.”

—Gov. Perry on his serendipitous life.¹

There has been a striking incidence of coincidence in the long political career of Texas Governor Rick Perry. Again and again, Perry, his aides and his political supporters have invoked “coincidence” to explain the suspicious timing of campaign contributions that coincided with political favors or the fortuitous timing of one of Perry's personal business deals. If Perry stays in the presidential race, Americans will grow accustomed to the astounding role of coincidence in this candidate's life. What follows is an incomplete introduction to some of the coincidental incidents that have peppered Perry's political career.

Stock Pop

One day in 1996 then-Agriculture Commissioner Rick Perry saw his political patron James Leininger and bought 2,800 shares of stock in Leininger's company. Later that day an investment group began buying 2.2 million shares of the same stock in an effort to acquire Leininger's company. This big buy drove up share prices, making Perry a quick \$4,487 in one month. Breaking the story, the *Dallas Morning News* reported that, “Mr. Perry said it was a coincidence that 2,800 shares of stock in a hospital equipment company, Kinetic Concepts Inc., were purchased on his behalf on the same day a California investment group began buying 2.2 million shares in the company.”² Coincidentally, one of the investors buying up Kinetic stock was Richard Blum, husband of U.S. Senator Dianne Feinstein.

Land Flip

Rick Perry said developer Gary Bradley tipped him off about the 60 acres in southwest Austin that Perry bought for \$286,000 in 1996 (Bradley contributed \$5,000 to Perry's campaign in 2001—shortly before declaring bankruptcy).³ The trustee overseeing Perry's blind trust sold that land for a hefty profit in 1999. Tony Sanchez, Perry's 2002 Democratic challenger, questioned the timing of this sale, which came days after then-Governor Bush signed a law boosting the value of that land. Passed by then-Lieutenant Governor Perry's Texas Senate, that law grandfathered environmentally sensitive land in West Austin from stricter development codes adopted by the City of Austin. “Perry's aides said it also was coincidental that his trustee sold the property for a \$235,000 profit in May 1999, six days after former Gov. George W. Bush signed the bill,” the *Houston Chronicle* reported. ““Any decisions about the disposition of assets in that trust were made by the trustee, not the governor,” said Perry spokesman Ray Sullivan.”⁴

Enron Executive

In an early fox-in-the-henhouse appointment, Governor Perry appointed Enron executive Max Yzaguirre to chair the Texas Public Utility Commission (PUC) in 2001.⁵ The very next day Perry's campaign picked up a \$25,000 contribution from Enron chief Ken Lay. “Perry, in a news conference this week, called the timing pure happenstance,” the *Fort Worth Star-Telegram*

reported. “‘It’s totally coincidental,’ he said.”⁶ Nobody may legally serve on the PUC if they have worked for a public utility in the last two years. Enron said Yzaguirre’s appointment was legal because Enron was primarily engaged in energy trading.⁷ Five months after his appointment Yzaguirre amended his initial disclosures, reporting that he had been an executive of *eight* more Enron units, including one operating Texas power plants.⁸ Meanwhile reporters discovered that the Perry administration doctored Yzaguirre’s PUC application before releasing it. The administration used white out to cover up the part of Yzaguirre’s application that revealed that he paid a \$15,000 fine for shooting an endangered whooping crane in 1989. Yzaguirre resigned in early 2002, a month after Enron declared bankruptcy. While many politicians returned Enron contributions at that time, Perry said he would keep the \$212,000 that he bagged from Enron’s PAC and executives since 1997.⁹

Redistricting Lawsuit

Democrats accused Governor Perry of giving Republican lawyers insider information about the fact that he would not call a 2001 special legislative session to address redistricting. Such a tip would have been beneficial, since the first lawyer to file in redistricting cases often determines which court hears the case. “Austin lawyer David Weiser, trying to distinguish coincidence from conspiracy, is asking a judge to let him question two top aides to Gov. Rick Perry,” the *Austin American-Statesman* reported.¹⁰ “At issue is how lawyers representing Republicans could file a lawsuit within six minutes of Perry informing legislative leaders by letter that he would not call a special legislative session to draw new districts for the state’s congressional delegation.”

Spousal Espousal

One of the Perry campaign’s dirtiest attack ads suggested that 2002 Democratic challenger Tony Sanchez knowingly laundered drug money through his family’s Tesoro Savings & Loan. When legal experts familiar with the case disputed the ad’s claims (the federal judge in the underlying case called the ad “absolutely false”),¹¹ the Perry campaign flew Houston lawyer Dan Hedges to Austin to defend the attack’s accuracy. Hedges wife, First Court of Appeals Justice Adele Hedges, accompanied her husband on the flight. In fact, as Dan Hedges defended Perry’s attack ad, Perry aides interviewed Adele Hedges about becoming chief justice of her court. “Perry spokesman Ray Sullivan said the two meetings were purely coincidental,” the *Houston Chronicle* reported.¹² The following year Perry appointed Adele Hedges to be Chief Justice of Houston’s 14th Court of Appeals.

Pony Up

“Gov. Rick Perry raked in nearly a quarter-million dollars from horse-breeding and racing interests in a single day in February” 2004, the *Houston Chronicle* reported. Perry collected this windfall “just two months before a special session on school finance during which a Perry-backed proposal to allow [slot-machine] gambling at racetracks was debated.”¹³ The PAC of Houston-based Maxxam, Inc., which owns Sam Houston Race Park, made the largest contribution of \$50,000. “Officials with Max-PAC and other donors, however, said their checks were run-of-the-mill contributions that they have given to candidates from both major parties in any given year,” the *Chronicle* reported. “The timing was coincidental, they said.” “‘I suspect our check was submitted independently,’ said Elizabeth Brumley, Max-PAC treasurer. ‘We just happened to cut a check that day.’”

Bob the Builder

In 2004 a *Houston Chronicle* editorial addressed political favors doled out by future rivals Rick Perry and Texas Comptroller Carole Keeton Strayhorn. “You may recall, for example, Gov. Rick Perry’s appointment last year of an executive of Houston homebuilder Bob Perry’s company to a new builder oversight commission—less than one month after the governor received a \$100,000 contribution from Bob Perry,” the editorial said.¹⁴ “And a few years ago, Carole Keeton Strayhorn awarded state contracts to several financial investment managers who had donated \$56,000 to political committees with which she was associated. Coincidence, both the governor and the comptroller explained.”

State Dinner

Governor Perry invited 32 business people to a private dinner in 2006 to discuss business opportunities with Mexican President Vicente Fox. The *Houston Chronicle* reported that the individuals on the elite guest list—along with their company PACs—contributed more than \$2 million to Perry’s campaign since he became governor six years earlier. The governor’s office said 21 of the 32 guests came at Mexico’s request. The *Chronicle* reported that “some of the biggest contributors” came from the ranks of the 11 other special guests invited by Perry. “The political contributions are a ‘coincidence,’ ” said Perry spokesperson Kathy Walt.¹⁵

Million-Dollar Happenstance

Governor Perry attacked 2006 Democratic challenger Chris Bell for taking \$1 million from a trial lawyer. Afterwards, Perry didn’t want to invite hypocrisy charges by then taking \$1 million from Houston homebuilder Bob Perry. Shortly before the election Perry’s campaign arranged to receive \$1 million from Bob Perry, funneling it in two transactions of \$500,000 apiece through the Republican Governor’s Association. The *Austin American-Statesman* reported that Republican Governors Association Executive Director Nick “Ayers and Anthony Holm, spokesman for Bob Perry, said the matching amounts sent by the Texan and the group to Perry’s campaign were coincidences.”¹⁶ Holms also ascribed the transactions to “happenstance.”¹⁷ Indeed, the *Dallas Morning News* reported that, “All parties call the timing coincidental.”¹⁸ Bell later sued Perry and the RGA, alleging that they violated state campaign laws by hiding the true source of Bob Perry’s \$1 million contributions. The Perry campaign settled Bell’s complaint for \$426,000; Bell then won a \$2 million verdict against the RGA in 2010 (the RGA is appealing).¹⁹

Policy Prescription

Governor Perry shocked his state in 2007 when he issued an executive order making Texas the first state requiring pre-teen girls to receive a new vaccine against the sexually transmitted human papillomavirus (HPV), which can cause cervical cancer. The move stiff-armed the abstinence-only position popular with Perry’s social conservative base (lawmakers soon halted the mandate). The only thing that seemed to explain Perry’s order was his ties to lobbyist Mike Toomey, Perry’s onetime roommate and ex-chief of staff who lobbies for the vaccine’s manufacturer, Merck. Merck’s PAC contributed \$28,500 to Perry, including \$5,000 on the same day in late 2006 that Perry’s staff held a meeting about the new vaccine. “Perry spokesman Robert Black said the timing of the meeting and the donation was a coincidence,” reported the Associated Press. “We have too many coincidences,” countered Cathie Adams of the conservative Texas Eagle Forum. “I think that the voters of Texas would find that very hard to swallow.”²⁰

Carbon Captured

Governor Perry issued an October 27, 2005 executive order to expedite regulatory approval of 16 new coal plants in the state that already led the nation in emissions of carbon dioxide. That same day Perry's campaign collected \$2,000 from the retired chair of TXU Corp. , which was seeking 11 of the new coal plants. The *Dallas Morning News* reported that PACs and executives of the utilities clamoring for the new coal plants contributed \$132,000 to Perry's campaign within one year of his order fast-tracking coal plants. "Representatives for TXU and the Perry campaign said the donations were unrelated to the governor's decision," the *News* reported.²¹

Tax Protest

Texas Attorney General Greg Abbott filed suit against one of Governor Perry's top campaign contributors in 2010, accusing Houston-based TaxMasters and CEO Patrick Cox of deceptive trade practices. The pending lawsuit alleges that TaxMasters missed tax-filing deadlines and failed to disclose its no-refund policy to customers. The heavily advertised company generated almost 1,000 complaints. Cox gave Perry two checks totaling \$73,500 in February 2010, shortly before Abbott filed the lawsuit.²² TaxMasters spokesman DeWayne Logan told the *Dallas Morning News* that Cox's funding of Perry's campaign "was unrelated to the state's investigation into the firm."²³

Green Dollars

Two of Governor Perry's associates helped the Green Party gather signatures needed to put their candidates on the Texas ballot in 2010. This GOP strategy was widely seen as an attempt to drain votes from Democrats. Garrett Mize led one Green Party petition drive. He testified in court that his recruiter was Stuart Moss, who worked at the political consulting firm of former Perry Communications Director Eric Bearse. Mize further testified that Governor Perry's former roommate and ex-chief of staff, lobbyist Mike Toomey, wrote him personal checks totaling \$12,000 for six months of petitioning work. "Perry campaign spokesman Mark Miner said neither Toomey nor Moss are connected to Perry's re-election campaign," the *Austin American-Statesman* reported. "'Our campaign had nothing to do with the Green Party getting signatures,' Miner said." Bearse, the ex-Perry aide, also told the *Statesman* that "neither he nor his firm was involved in the Green Party effort."²⁴

Timely Prayer

In June 2011 Governor Perry invited the nation's 49 other governors to join him in Houston for "a day of prayer and fasting on behalf of our troubled nation." Perry scheduled the August 6 prayer day one week before the Iowa straw poll. "When I heard about it, it did surprise me," Bill Miller, a lobbyist friend of Perry, told the *New York Times*. "It indicated to me that he's moving quickly in trying to establish a national prominence and becoming a national candidate." Gubernatorial spokesperson Catherine Frazier countered that the timing was "coincidental," telling the *Times*, "It has nothing to do with politics. It is about coming together to pray for our nation."²⁵

NOTES

- ¹ “Perry Says Bad Weather and Luck Helped Plot Trajectory,” *Houston Chronicle*, January 31, 2010. The Dallas Morning News quoted Perry on similar thoughts in 2006. “I don't think things happen by coincidence. I think there's a grand plan out there, and if you're paying attention, that the Lord speaks to you through a lot of different ways.” “Perry: From Plains to Politics,” *Dallas Morning News*, March 12, 2006.
- ² “Perry Defends \$38,000 in Stock Profits,” *Dallas Morning News*, May 15, 1998.
- ³ “Perry's Land Deals Show Profit, Luck,” *Austin American-Statesman*, September 25, 2011.
- ⁴ “Perry, Sanchez Camps Exchange Finance Volleys,” *Houston Chronicle*, April 18, 2002.
- ⁵ “Former Enron Mexico Leader Appointed to PUC,” *Austin American-Statesman*, June 14, 2001.
- ⁶ “Senators Critical of PUC Chief,” *Fort Worth Star-Telegram*, December 22, 2001. “Perry: Utility Chief is Qualified,” *Austin American-Statesman*, December 20, 2001. “Enron Bucks Taint Many Politicos,” Molly Ivins column, *Charleston Gazette*, February 11, 2002
- ⁷ “Enron Ex Will Oversee Utilities,” *Fort Worth Star-Telegram*, June 14, 2001.
- ⁸ “PUC Chief Hit With New Criticism,” *Fort Worth Star-Telegram*, January 18, 2002.
- ⁹ “Embattled PUC Leader Steps Down,” *Austin American-Statesman*, January 19, 2002.
- ¹⁰ “Redistricting Suit Seeks Perry Aides' Testimony,” *Austin American-Statesman*, September 10, 2001.
- ¹¹ “A Texas-size Gubernatorial Slugfest,” Molly Ivins column, *Chicago Tribune*, August 8, 2002.
- ¹² “Sanchez Accuses Perry of Linking Judicial Post to Favor,” *Houston Chronicle*, August 4, 2002. “Perry: Lawyer's Support Over Ad, Wife's Job Bid Coincidence,” Associated Press, August 3, 2002.
- ¹³ “Governor Made Hay with Horse-Racing Lobby,” *Houston Chronicle*, July 22, 2004.
- ¹⁴ “One Tough Grandma, One Tough Fight,” *Houston Chronicle* editorial, June 27, 2004.
- ¹⁵ “Big Donors to GOP to Meet Mexico's Fox,” *Houston Chronicle* November 06, 2003.
- ¹⁶ “Perry, Rivals Spent \$45.9 Million,” *Austin American-Statesman*, January 19, 2007. “GOP Group, Perry Late on Finance Reports,” *Austin American-Statesman*, November 15, 2007.
- ¹⁷ “GOP Group May Have Funneled Donations to Perry,” *Houston Chronicle*, January 18, 2007.
- ¹⁸ “Perry in D.C.: Chats, Checks,” *Dallas Morning News*, February 27, 2007.
- ¹⁹ “GOP Governors Group Violated Law, Judge Rules,” *Austin American-Statesman*, September 1, 2010.
- ²⁰ “Texas Governor's Staff Discussed Vaccine on Day Merck Donated to Campaign,” Associated Press, February 22, 2007.
- ²¹ “Coal Plant Interests Give Perry \$132,000 After Fast-Track Order,” *Dallas Morning News*, October 14, 2006.
- ²² “TaxMasters Executives Big donors,” *American Independent*, September 8, 2010.
- ²³ “Perry Will Keep \$23,500 Campaign Contribution From Donor Sued by State,” *Dallas Morning News*, May, 13, 2010.
- ²⁴ “Green Party Bid Is Forfeit,” *Austin American-Statesman*, June 25, 2010.
- ²⁵ “Texas Governor Draws Criticism on Prayer Event,” *New York Times*, June 12, 2011.