

Crony Capitalism:

The Republican Governors Association in the Perry Years

Contents

I. Introduction	1
II. Crossover Donors to Perry and the RGA	4
III. Crossover Donors from Texas	8
IV. Crossover Donors in Regulated Industries	10
V. Crossover Donors Landing State Contracts	13
VI. Perry's Crossover-Donor Appointees	15
VII. Enterprise Fund Grants to Crossover Donors	19
VIII. Notes	21

I. Introduction

As Texas Governor Rick Perry's influence at the Republican Governors Association (RGA) increased over the past five years the political finances of both the governor and the Governors Association skyrocketed. The RGA raised a record \$216.9 million between January 2006 and June 30, 2011. A remarkable 32 percent of this money (\$68.7 million) came from just 139 crossover donors who also gave to Perry's gubernatorial campaigns since 2001. The same crossover donors contributed \$13.7 million to Perry's gubernatorial coffers—13 percent of the \$103 million total that Perry has raised as governor. This report would not have been possible without Republican Governors Association data provided by the Washington-based [Center for Responsive Politics](#).¹

This A-list of crossover donors who pumped \$82 million into these two Perry-associated political accounts include many motivated contributors who do business with the State of Texas. Scattered through their ranks are gubernatorial appointees, state-regulated businesses and businesses with state-conferred monopolies or contracts. Before exploring these big crossover donors this report introduces the Perry era at the RGA and summarizes Texas' indulgent campaign finance rules.

The RGA's "Perry Era"

Dating the start of Perry's RGA influence is fuzzy. Governor Perry first served as RGA chairman in 2008;² he served as chair again in 2011 until he resigned in August to focus on his presidential run. Between his stints as chair, Perry also served as RGA finance chair. Yet Perry's chief political strategist says Perry's RGA influence started earlier. "The RGA in 2006, under the leadership of [Georgia Governor] Sonny Purdue and Rick Perry, put the concept of a four-year plan in place that allowed the governors, candidates, donors and staff to have a bigger vision than just one-year cycles," Dave Carney told *Politico*.³

Houston homebuilder Bob Perry (no relation) has been Rick Perry's No. 1 fundraising weapon in the governor's office and at the RGA. Bob Perry gave more than \$2.5 million to Perry's gubernatorial campaigns and \$11.5 million to the RGA. Bob Perry's spokesman recently told the *Houston Chronicle* that his boss was a "strong supporter of the RGA long before the governor took a leadership role" there.⁴ Really?

The earliest Bob Perry-related contribution to the RGA in the last decade was a \$10,000 check that his company, Perry Homes, wrote in 2003. Bob Perry's earliest *individual* donation occurred in early 2006. That year Bob Perry gave more than \$2 million to the RGA, supplying 7 cents of every RGA dollar. The share of money that the RGA raised in Texas that year also jumped from 6 percent to 10 percent (a lone Texan supplied 74 percent of this Texas total). In the first half of 2011 22 percent of the \$22 million that the RGA raised came from Texas.

Bob Perry Donations To the RGA (Jan. 2002 to July 2011)

Date	Amount
10/16/03	\$10,000
2/10/2006	\$100,000
6/13/2006	\$100,000
8/28/2006	\$300,000
10/6/2006	\$1,000,000
10/31/2006	\$50,000
10/31/2006	\$500,000
1/26/2007	\$100,000
5/23/2007	\$300,000
2/25/2008	\$250,000
8/11/2008	\$500,000
6/4/2009	\$500,000
10/14/2009	\$500,000
10/21/2009	\$500,000
11/17/2009	\$500,000
2/3/2010	\$500,000
7/19/2010	\$2,000,000
8/11/2010	\$500,000
8/27/2010	\$1,000,000
10/4/2010	\$2,000,000
4/12/2011	\$250,000
TOTAL:	\$11,460,000

Note: Perry Homes gave the first donation; Bob Perry gave the rest.

Bold: Donations coinciding with Texas legislative sessions, when Gov. Perry could not raise campaign money.

The RGA's Rick and Bob Perry Period Began in 2006, When Wealthy Texans Discovered the RGA

Year	RGA Total	RGA Total From Texas	RGA Share From Texas	Bob Perry To RGA	RGA Share From B. Perry
2003	\$15,649,871	\$822,228	5%	\$10,000	<1%
2004	\$18,198,550	\$644,025	4%	\$0	0%
2005	\$14,290,821	\$831,311	6%	\$0	0%
2006	\$28,137,850	\$2,763,132	10%	\$2,050,000	7%
2007	\$21,289,514	\$2,788,809	13%	\$400,000	2%
2008	\$27,551,633	\$4,491,209	16%	\$750,000	3%
2009	\$30,126,497	\$4,425,061	15%	\$2,000,000	7%
2010	\$87,002,967	\$12,135,837	14%	\$6,000,000	7%
*2011	\$22,167,912	\$4,911,958	22%	\$250,000	1%
TOTALS	\$264,415,615	\$33,813,570	13%	\$11,460,000	4%

*2011 data just cover first six months of the year.

One reason why Bob Perry started giving so heavily to the RGA in 2006 was to hide all the money he poured into Rick Perry's campaign. Perry's campaign attacked his 2006 Democratic challenger, Chris Bell, for taking \$1 million from trial lawyer John O'Quinn. Governor Perry didn't want to invite hypocrisy charges by then taking \$1 million from Bob Perry. In October 2006 Perry's campaign arranged to indirectly receive \$1 million from Bob Perry, funneling it through the RGA (which did not disclose Bob Perry's contribution until after the election). Bell later sued Rick Perry and the RGA alleging that they violated state campaign laws by hiding the true source of Bob Perry's \$1 million gubernatorial contribution. 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).⁵

The current presidential campaign casts a new light on legal discoveries uncovered in that case. "According to depositions in the case," the *Dallas Morning News* reported in 2009, "Perry campaign consultant Dave Carney and campaign manager Deirdre Delisi met with Gov. Mitt Romney, then chairman of the governors group, in early October to seek cash for Perry's reelection. Two days later, Bob Perry delivered \$1 million to the RGA."⁶ The RGA then flipped that money to the Perry campaign with two \$500,000 checks cut in the last days of the campaign.⁷ Bob Perry's millions clearly boosted Rick Perry's influence at the RGA. Evoking the names of both Rick and Bob Perry, the RGA's "Perry era" began with a bang in 2006.

The Wild West

The Wild West of money in politics, Texas imposes no limits on how much money an individual or PAC can contribute to a gubernatorial campaign. Yet Governor Perry has faced two financial restrictions in Texas that do not apply to the RGA. First, Perry can't take money directly from a corporate treasury, as the RGA does. Second, Perry can't take contributions when the Texas Legislature is in session (this black-out period typically corresponds to the first half of odd-numbered years).

Cross-over donor and chicken-magnate Lonnie "Bo" Pilgrim inadvertently inspired Texas' 1989 ban on in-session political contributions. He did so by handing out \$10,000 checks to lawmakers to grease passage of an overhaul of workers compensation law.⁸ Twenty-two years later, crossover donor

Pilgrim is credited in this report for giving a total of \$631,668 to Perry and the RGA. Pilgrim wrote one \$25,000 check to the RGA in the middle of the 2007 Texas legislative session. Under the campaign law that he inspired, Pilgrim could not have then written that same check to the Perry campaign. Critics allege that Perry has used the RGA as a back door through which he can raise corporate dollars and collect contributions during Texas' legislative blackout.⁹

Perry's campaign and the RGA are linked by more than a huge number of crossover donors. The RGA has given Perry's campaign \$4 million.

Contributor	Date	Amount
RGA Michigan 2010 PAC	10/4/2010	\$3,000,000
Republican Governors Assn.	11/2/2006	\$500,000
Republican Governors Assn.	10/27/2006	\$500,000
TOTAL:		\$4,000,000

II. Crossover Donors to Perry and the RGA

With the RGA accepting corporate contributions that Perry cannot, this report tracks crossover donor interests broadly. Totals for a given company may include corporate contributions as well as contributions made by company PACs and executives. Take, for example, the more than \$1 million that Energy Future Holding Corp. (EFHC) gave to Perry and the RGA. It includes corporate checks, as well as contributions by the PACs and executives of EFHC and its predecessor company, TXU Corp.

Crossover Donors Who Gave a Total of \$82 Million To Rick Perry and the Republican Governors Association

Total to RGA And Perry	Crossover Contributor	Description	Location	RGA Total 1/06-7/11	Perry Total 1/01-7/11
\$13,981,799	Bob Perry	Construction	Houston, TX	\$11,450,00	\$2,531,799
\$2,995,000	Contran Corp.	Nat'l Resources	Dallas, TX	\$1,875,000	\$1,120,000
\$2,350,000	Koch Industries	Energy	Wichita, KS	\$2,200,000	\$150,000
\$2,427,007	AT&T, Inc.*	Telecom.	Dallas, TX	\$1,753,349	\$673,658
\$2,081,640	Pfizer, Inc.	Drugs	New York, NY	\$2,031,640	\$50,000
\$1,930,000	MLU Services, Inc.	Disaster Relief	Bogart, GA	\$1,920,000	\$10,000
\$1,617,621	Las Vegas Sands Corp.	Gambling	Las Vegas, NV	\$1,605,765	\$11,856
\$1,485,500	GlaxoSmithKline	Drugs	R. Triangle, NC	\$1,457,500	\$28,000
\$1,438,910	Wal-Mart Stores, Inc.	Retail	Bentonville, AR	\$1,383,910	\$55,000
\$1,411,925	Altria Group	Tobacco	Richmond, VA	\$1,389,421	\$22,504
\$1,310,000	Eli Lilly & Co.	Drugs	Indianapolis, IN	\$1,242,500	\$67,500
\$1,288,334	Ryan & Co.	Accounting	Dallas, TX	\$725,000	\$563,334
\$1,275,150	AstraZeneca	Drugs	Wilmington, DE	\$1,227,650	\$47,500
\$1,078,000	WellPoint, Inc.	Insurance	Indianapolis, IN	\$1,075,000	\$3,000
\$1,058,575	Energy Future Hold. Corp.*	Energy	Dallas, TX	\$425,000	\$633,575
\$1,024,000	Exxon Mobil Corp.	Energy	Irving, TX	\$984,000	\$40,000
\$996,677	Travelers Co's	Insurance	New York, NY	\$963,968	\$32,709
\$965,500	UnitedHealthcare	Insurance	Minnet., MN	\$925,000	\$40,500
\$939,500	Chesapeake Operating	Energy	Okla. City, OK	\$902,500	\$37,000
\$849,701	Corrections Corp. of Am.	Prisons	Nashville, TN	\$808,701	\$41,000
\$833,143	BNSF Railway Co.	Transportation	Fort Worth, TX	\$698,143	\$135,000
\$830,000	Kenny Troutt	Telecom.	Dallas, TX	\$125,000	\$705,000
\$830,000	Verizon	Telecom.	Philadelphia, PA	\$785,000	\$45,000
\$770,110	Motorola	Computers	Schaumburg, IL	\$757,110	\$13,000
\$752,883	Citigroup	Finance	New York, NY	\$737,883	\$15,000
\$712,576	Hewlett-Packard Co.	Computers	Palo Alto, CA	\$690,576	\$22,000
\$705,999	Comcast Corp.	Telecom.	Philadelphia, PA	\$698,499	\$7,500
\$705,000	North Cypress Medical Ctr.	Health	Houston, TX	\$350,000	\$355,000
\$705,000	Novartis Pharmaceuticals	Drugs	Hanover, NJ	\$700,000	\$5,000
\$659,500	National Rifle Assn.	Guns	Fairfax, VA	\$648,000	\$11,500
\$650,390	AFLAC	Insurance	Columbus, GA	\$645,390	\$5,000
\$646,897	Western Rim Property Srvcs.	Real Estate	Coppell, TX	\$540,897	\$106,000
\$642,200	Centene Corp.	Insurance	St. Louis, MO	\$637,200	\$5,000
\$638,000	General Electric Co.	Diverse	Fairfield, CT	\$620,000	\$18,000
\$637,740	Peter Holt	Construction	Blanco, TX	\$100,000	\$537,740
\$632,500	MassMutual Life Insurance	Insurance	Springfield, MA	\$630,000	\$2,500

\$631,668	Lonnie 'Bo' Pilgrim	Poultry	Pittsburg, TX	\$125,000	\$506,668
\$625,000	Chevron Corp.	Energy	San Ramon, CA	\$610,000	\$15,000
\$621,000	Williams Bros. Construction	Construction	Houston, TX	\$200,000	\$421,000
\$607,500	Bank of America	Finance	Charlotte, NC	\$460,000	\$147,500
\$580,000	ACS	Computers	Dallas, TX	\$555,000	\$25,000
\$575,000	Foster Friess	Finance	Jackson, WY	\$475,000	\$100,000
\$571,000	Gulf States Toyota, Inc.	Transportation	Houston, TX	\$266,000	\$305,000
\$557,574	Coca-Cola Co.	Food/Drink	Atlanta, GA	\$545,074	\$12,500
\$552,883	Geo Group, Inc.	Prisons	Boca Raton, FL	\$542,883	\$10,000
\$549,986	U.S. Smokeless Tobacco	Tobacco	Greenwich, CT	\$522,486	\$27,500
\$541,339	Paul L. Foster	Energy	El Paso, TX	\$132,581	\$408,758
\$526,022	Ameriquest Capital Corp.	Finance	Los Angeles, CA	\$501,022	\$25,000
\$517,500	Aetna, Inc.	Insurance	Hartford, CT	\$497,500	\$20,000
\$507,302	Trevor Rees-Jones	Energy	Dallas, TX	\$357,302	\$150,000
\$477,000	Duke Energy	Energy	Charlotte, NC	\$470,000	\$7,000
\$447,500	Chickasaw Nation	Gambling	Ada, OK	\$300,000	\$147,500
\$433,796	Anheuser-Busch Co's	Alcohol	St. Louis, MO	\$397,796	\$36,000
\$410,000	Parsons Corp.	Construction	Pasadena, CA	\$400,000	\$10,000
\$406,000	Merck & Co.	Drugs	Whitehouse, NJ	\$377,500	\$28,500
\$397,500	American Electric Power	Energy	Columbus, OH	\$300,000	\$97,500
\$393,591	Prop. Casualty Insurers Assn.	Insurance	Des Plaines, IL	\$378,591	\$15,000
\$369,500	HNTB Corp.	Construction	Kansas City, MO	\$335,000	\$34,500
\$361,722	American Intern'l Group	Insurance	New York, NY	\$350,000	\$11,722
\$361,126	McLane Co.	Transportation	Temple, TX	\$100,000	\$261,126
\$360,700	Maximus	Health	Reston, VA	\$335,700	\$25,000
\$360,500	Medco Health Solutions	Drugs	Franklin, NJ	\$350,000	\$10,500
\$358,000	Bristol-Meyers Squibb Co.	Drugs	New York, NY	\$355,000	\$3,000
\$350,000	AmeriGroup Corp.	Insurance	VA Beach, VA	\$330,000	\$20,000
\$343,500	Dow Chemical Co.	Chemicals	Midland, MI	\$311,000	\$32,500
\$343,000	Enterprise Rent-A-Car	Transportation	St. Louis, MO	\$313,000	\$30,000
\$339,233	James Leininger	Health	San Antonio, TX	\$100,000	\$239,233
\$338,635	Lee Roy Mitchell	Cinemas	Plano, TX	\$100,000	\$238,635
\$327,057	Microsoft Corp.	Computers	Redmond, WA	\$299,057	\$28,000
\$312,500	Northrop Grumman Corp.	Defense	Los Angeles, CA	\$290,000	\$22,500
\$310,000	Liberty Mutual Group, Inc.	Insurance	Boston, MA	\$250,000	\$60,000
\$300,000	United Parcel Service	Transportation	Atlanta, GA	\$260,000	\$40,000
\$292,145	Sanderson Farms, Inc.	Poultry	Laurel, MS	\$127,145	\$165,000
\$290,000	CGI Technologies & Solutions	Computers	Fairfax, VA	\$285,000	\$5,000
\$285,000	United Services Auto. Assn.	Insurance	San Antonio, TX	\$100,000	\$185,000
\$278,090	H. Gary Heavin	Fitness	Gatesville, TX	\$150,000	\$128,090
\$277,000	Dominion Resources, Inc.	Energy	Richmond, VA	\$275,000	\$2,000
\$274,364	FedEx Corp.	Transportation	Memphis, TN	\$261,364	\$13,000
\$260,870	Dell, Inc.	Computers	Round Rock, TX	\$250,000	\$10,870
\$260,000	Lyondell Chemical Co.	Chemicals	Houston, TX	\$230,000	\$30,000
\$257,500	CVS/Caremark	Drugs	Woonsocket, RI	\$255,000	\$2,500
\$254,000	Philip H. Geier	Advertising	New York, NY	\$250,000	\$4,000
\$250,000	Cisco Systems, Inc.	Computers	San Jose, CA	\$240,000	\$10,000
\$242,500	Outback Steakhouse	Food/Drink	Ft. Myers, FL	\$240,000	\$2,500
\$242,000	Shell Oil Co.	Energy	Houston, TX	\$235,000	\$7,000

\$240,578	Valero Energy Corp.	Energy	San Antonio, TX	\$100,000	\$140,578
\$290,502	Gordon T. Graves	Gambling	Austin, TX	\$175,000	\$115,502
\$237,500	Waste Management, Inc.	Natl Resources	Houston, TX	\$192,500	\$45,000
\$237,067	Anne Marion	Energy	Fort Worth, TX	\$100,000	\$137,067
\$231,500	EDS Corp.	Computers	Plano, TX	\$215,000	\$16,500
\$231,000	Lockheed Martin Corp.	Defense	Bethesda, MD	\$205,000	\$26,000
\$230,230	Crow Holdings	Real Estate	Dallas, TX	\$100,000	\$130,230
\$217,500	ConocoPhillips Co.	Energy	Houston, TX	\$180,000	\$37,500
\$217,000	CenterPoint Energy*	Energy	Houston, TX	\$137,000	\$80,000
\$210,848	Thomas O. Hicks	Finance	Dallas, TX	\$100,000	\$110,848
\$210,500	NuStar Energy	Energy	San Antonio, TX	\$181,000	\$29,500
\$207,000	Fidelity Investments	Finance	Boston, MA	\$203,000	\$4,000
\$196,000	Home Depot	Retail	Atlanta, GA	\$185,000	\$11,000
\$191,500	JP Morgan Chase Co.	Finance	New York, NY	\$150,000	\$41,500
\$190,000	Boeing Co.	Transportation	Chicago, IL	\$160,000	\$30,000
\$189,000	Marathon Oil Co.	Energy	Houston, TX	\$175,000	\$14,000
\$185,000	Anthem Blue Cross Blue	Insurance	Indianapolis, IN	\$165,000	\$20,000
\$182,500	International Paper Co.	Natl Resources	Memphis, TN	\$155,000	\$27,500
\$181,500	Florida Power & Light Co.	Energy	Juno Beach, FL	\$155,000	\$26,500
\$180,000	J.C. Huizenga	Education	Gr. Rapids, MI	\$165,000	\$15,000
\$179,500	MetLife	Insurance	New York, NY	\$177,000	\$2,500
\$175,000	Honeywell International	Diverse	Morristown, NJ	\$165,000	\$10,000
\$175,000	Hunt Consolidated, Inc.	Energy	Dallas, TX	\$150,000	\$25,000
\$170,000	Anadarko Petroleum Corp.	Energy	Woodlands, TX	\$155,000	\$15,000
\$168,500	Prudential Financial	Insurance	Newark, NJ	\$150,000	\$18,500
\$167,000	ING North Am. Insurance	Insurance	Atlanta, GA	\$156,000	\$11,000
\$165,298	American Proteins, Inc.	Food/Drink	Cumming, GA	\$155,298	\$10,000
\$163,150	Roche Diagnostics	Health	Indianapolis, IN	\$159,650	\$3,500
\$163,000	Ace American Insurance Co.	Insurance	Irving, TX	\$161,000	\$2,000
\$162,500	Am. Council of Life Insurers	Insurance	Hartford, CT	\$161,500	\$1,000
\$158,498	Johnson & Johnson	Drugs	N. Brunswick, NJ	\$144,498	\$14,000
\$153,000	ResCare, Inc.	Health	Louisville, KY	\$150,000	\$3,000
\$152,000	Apollo Group, Inc.	Education	Phoenix, AZ	\$125,000	\$27,000
\$150,750	Raytheon Co.	Diverse	Waltham, MA	\$150,000	\$750
\$147,069	Ford Motor Co.	Transportation	Dearborn, MI	\$142,069	\$5,000
\$143,500	3M Co.	Diverse	St. Paul, MN	\$140,000	\$3,500
\$142,000	State Farm Insurance	Insurance	Bloomington, IL	\$140,000	\$2,000
\$140,000	Holland & Knight LLP	Law/Lobbyists	Tampa, FL	\$102,000	\$38,000
\$138,000	Siemens Corp.	Diverse	New York, NY	\$130,000	\$8,000
\$136,275	EOP Group	Law/Lobbyists	Washington, DC	\$126,275	\$10,000
\$135,540	Rent A Center, Inc.	Home Goods	Plano, TX	\$130,040	\$5,500
\$132,000	Williams Companies, Inc.	Energy	Tulsa, OK	\$130,000	\$2,000
\$130,500	Nationwide Mutual Insurance	Insurance	Columbus, OH	\$100,000	\$30,500
\$128,000	Assoc. Builders & Contractors	Construction	Arlington, VA	\$104,000	\$24,000
\$126,000	Atmos Energy Corp.	Energy	Dallas, TX	\$100,000	\$26,000
\$120,000	Caterpillar, Inc.	Construction	Peoria, IL	\$110,000	\$10,000
\$117,320	Barbour Griffith & Rogers,	Law/Lobbyists	Washington, DC	\$110,770	\$6,550
\$115,000	Constellation Energy Group	Energy	Baltimore, MD	\$110,000	\$5,000
\$115,000	Occidental Petro. Corp.	Energy	Los Angeles, CA	\$110,000	\$5,000

\$113,500	Henry S. Miller	Finance	Greenwich, CT	\$101,000	\$12,500
\$110,000	NRG Energy, Inc.	Energy	Princeton, NJ	\$100,000	\$10,000
\$105,000	Am. Soc. of Anesthesiologists	Health	Park Ridge, IL	\$100,000	\$5,000
\$105,000	BearingPoint, Inc.	Computers	McLean, VA	\$100,000	\$5,000
\$105,000	Sallie Mae, Inc.	Finance	Reston, VA	\$100,000	\$5,000
\$82,449,505	TOTALS			\$68,745,20	\$13,704,302

*Includes predecessor companies.

III. Crossover Donors from Texas

Forty one out of the 139 big crossover contributors live in Texas or have their global or U.S. headquarters there (see accompanying table). Accounting for 29 percent of the 139 crossover contributors, these wealthy Texans provided 43 percent (\$35.5 million) of all the Perry/RGA crossover money tracked in this report. Which of these Texans have been longtime RGA underwriters and which Texans—like Bob Perry—seemed to discover the RGA during its recent Perry era?

Washington’s Center for Responsive Politics provided RGA contributions data covering from October 2002 through June 2011. The 41 Texas crossover contributors contributed almost \$26.8 million to the RGA in that period, giving \$2.5 million in the 3.25 years preceding 2006 (9 percent) and \$24.3 million in the 5.5 years thereafter (91 percent). Seventeen of the Texans did not give the RGA a dime in the pre-Perry period. Just one Texas crossover contributor gave the RGA more money in the pre-Perry era (San Antonio-based insurer United Services Automobile Association). The checkbooks of Texas corporations and executives clearly helped boost Rick Perry’s stock at the RGA.

**Many of Texas' Crossover Contributors
Started Giving to the RGA in the Perry Era**

Share of RGA Total Given Pre-Perry	Pre-Perry RGA Total (10/02-12/05)	Perry-Era RGA Total (1/06-7/11)	Crossover Contributor	Location
0%	\$0	\$155,000	Anadarko Petroleum	Woodlands, TX
0%	\$0	\$100,000	Anne Marion	Fort Worth, TX
0%	\$0	\$100,000	Atmos Energy Corp.	Dallas, TX
0%	\$0	\$175,000	Gordon T. Graves	Austin, TX
0%	\$0	\$150,000	H. Gary Heavin	Gatesville, TX
0%	\$0	\$125,000	Kenny Troutt	Dallas, TX
0%	\$0	\$100,000	Lee Roy Mitchell	Plano, TX
0%	\$0	\$350,000	North Cypress Medical	Houston, TX
0%	\$0	\$181,000	NuStar Energy	San Antonio,
0%	\$0	\$132,581	Paul L. Foster	El Paso, TX
0%	\$0	\$100,000	Peter Holt	Blanco, TX
0%	\$0	\$725,000	Ryan & Co.	Dallas, TX
0%	\$0	\$235,000	Shell Oil Co.	Houston, TX
0%	\$0	\$100,000	Thomas O. Hicks	Dallas, TX
0%	\$0	\$357,302	Trevor Rees-Jones	Dallas, TX
0%	\$0	\$100,000	Valero Energy Corp.	San Antonio,
0%	\$0	\$540,897	Western Rim Property	Coppell, TX
<1%	\$10,000	\$11,450,000	Bob Perry	Houston, TX
2%	\$5,000	\$266,000	Gulf States Toyota, Inc.	Houston, TX
3%	\$60,000	\$1,875,000	Contran Corp.	Dallas, TX
5%	\$10,000	\$175,000	Marathon Oil Co.	Houston, TX
5%	\$5,000	\$100,000	McLane Co.	Temple, TX
7%	\$50,000	\$698,143	BNSF Railway Co.	Fort Worth, TX
8%	\$35,000	\$425,000	Energy Future Holdings	Dallas, TX
9%	\$10,000	\$100,000	Crow Holdings	Dallas, TX
9%	\$10,000	\$100,000	James Leininger	San Antonio,
10%	\$15,560	\$137,000	CenterPoint Energy	Houston, TX
11%	\$15,000	\$125,000	Lonnie 'Bo' Pilgrim	Pittsburg, TX
11%	\$25,000	\$200,000	Williams Bros.	Houston, TX
12%	\$20,000	\$150,000	Hunt Consolidated, Inc.	Dallas, TX
16%	\$191,570	\$984,000	Exxon Mobil Corp.	Irving, TX
18%	\$35,000	\$161,000	Ace American Insurance	Irving, TX
19%	\$60,000	\$250,000	Dell, Inc.	Round Rock, TX
30%	\$97,225	\$230,000	Lyondell Chemical Co.	Houston, TX
32%	\$817,726	\$1,753,349	AT&T, Inc.	Dallas, TX
32%	\$62,430	\$130,040	Rent A Center, Inc.	Plano, TX
36%	\$100,000	\$180,000	ConocoPhillips Co.	Houston, TX
40%	\$144,655	\$215,000	EDS Corp.	Plano, TX
44%	\$427,500	\$555,000	ACS	Dallas, TX
44%	\$152,565	\$192,500	Waste Management, Inc.	Houston, TX
57%	\$135,000	\$100,000	United Services Auto.	San Antonio,
9%	\$2,494,231	\$24,278,812	TOTALS	

IV. Crossover Donors in Regulated Industries

Many crossover contributors hail from Industries that ostensibly are regulated by state and federal governments. As discussed below, Texas regulators often seem to be held captive by the industries they are supposed to regulate.

Perry's Housing Agency

While many crossover donors who made fortunes in regulated industries have received favorable regulatory treatment in Texas, Rick Perry's No. 1 crossover donor took this a step farther. Bob Perry (\$14 million to Perry/RGA) sought and received his own regulatory agency. Texas lawmakers created the Texas Residential Construction Commission in 2003. The agency ostensibly was supposed to mediate disputes between the buyers and builders of new homes. But construction defects made a lemon of this lemon-home agency. John Krugh, Bob Perry's general counsel, helped draft legislation to create the agency. Governor Perry then skewed the agency's foundation by only appointing housing-industry representatives—including Krugh—to the new commission.¹⁰ "In Texas you can buy your own state agency, then regulate yourself," Houston Democratic Rep. Garnet Coleman quipped at the time.¹¹ The Texas Sunset Advisory Commission, which reviews bureaucracies to see if they should be eliminated, issued a scathing 2008 review, finding that the Construction Commission tied up lemon-home buyers in red tape.¹² In a rare move, the legislature abolished the agency in 2009.

Taking a Dump on Texas

Dallas billionaire Harold Simmons and his Contran Corp. holding company (\$3 million to Perry/RGA) rank No. 2 among crossover donors. Simmons' Waste Control Specialists successfully lobbied the legislature in 2003 to create a private monopoly franchise for a low-level nuclear waste dump. Governor Perry's Texas Commission on Environmental Quality appointees awarded Waste Control that license in 2009.¹³ Overruling their staff (including three who quit in protest), Perry appointees expanded Waste Control's license in recent years to take a broad spectrum of civilian and military radioactive junk.¹⁴ Waste Control's original license just covered waste from Texas and Vermont, Texas' waste-compact partner. A Perry-appointed majority of the Texas Low-Level Radioactive Waste Compact Commission voted in 2011 to open Waste Control's dump to 36 other states.¹⁵ Worried about the outcome of that vote, Reuters reported that Perry's office offered to appoint Commissioner Bob Gregory to be a university regent to prevent him from voting against that plan. Gregory turned down the appointment and cast one of two votes against expanding Simmons' waste stream.¹⁶ Simmons now owns what has become the nation's default low-level nuclear waste dump. "It took us six years to get legislation on this passed," Simmons told the *Dallas Business Journal*. "We first had to change the law to where a private company can own a license [to handle radioactive waste], and we did that. Then we got another law passed that said they can only issue one license. Of course, we were the only ones that applied."¹⁷

Frack Attack

"Fracking" gas-bearing shale with pressurized water, sand and chemicals has dramatically boosted U.S. gas production over the past decade. Frackers have pushed their prospecting into residential areas in and around the Dallas-Fort Worth metroplex, prompting complaints about air pollution, earthquakes and flammable tap water. Governor Perry accused the Obama administration in 2011 of "trying to scare people" into thinking fracking will "damage the groundwater."¹⁸ To his credit, Perry signed a 2011 bill that requires frackers to disclose many of the chemicals that they pump into the ground. To his discredit, he signed a 2003 bill that immortalized a once-temporary tax cut on gas wells. In 2009 and 2010 alone, this severance tax break cost cash-strapped Texas more than \$1.5 billion.¹⁹ Seven of Texas'

top gas producers are crossover donors who benefitted from this tax break. They are Exxon Mobil (\$1 million to Perry/RGA), Chesapeake Operating (\$939,500), Chevron (\$625,000), Shell (\$242,000), ConocoPhillips (\$217,500), Anadarko (\$170,000) and Williams Companies (\$132,000). Crossover donor Trevor Rees-Jones (\$507,302 to Perry/RGA) also made a fracking fortune.

Chicken-Feed Pilgrim

Just months before his massive poultry company filed for bankruptcy in 2008,²⁰ crossover donor **Lonnie 'Bo' Pilgrim** (\$631,668 to Perry/RGA) shared his troubles with his governor. The *Houston Chronicle* reported that Pilgrim told Perry he was getting hammered by skyrocketing corn costs, which he blamed on federal mandates for corn-based ethanol.²¹ Six days later Pilgrim gave \$100,000 to the Perry-led RGA and things began to happen. In April Pilgrim got a closed-door audience with nine Republican governors and Perry petitioned the EPA to waive its ethanol mandate. Pilgrim then spent more than \$9,000 flying Governor Perry and three aides to and from a Washington press conference that June. Pilgrim's lobbyists organized the event for Perry to promote the ethanol waiver.²²

Legislative Calling

For decades, AT&T (previously Southwestern Bell) has been unrivalled in the amount of money that it spends on Texas lobbyists.²³ Governor Perry convened two special legislative sessions in 2005 that were mainly justified by the need to solve a school-funding crisis that persists today. Perry also ordered the legislature to tackle the interests of two phone giants: Southwestern Bell, the predecessor of AT&T (\$2.4 million to Perry/RGA), and Verizon (\$830,000 to Perry/RGA). Lawmakers then deregulated the rates that these phone giants could charge for local phone monopolies. They also authorized the phone giants to compete with cable television providers without having to negotiate the local infrastructure fees that cable companies pay.²⁴ AT&T is fighting an anti-trust battle with the Obama administration over its planned acquisition of T-Mobile (which got \$2.15 from Perry's Enterprise Fund). *The Nation* reported that Perry endorsed the merger in a letter to the Federal Communications Commission, arguing that combining the telecom giants "will continue to provide for great consumer choice."²⁵ The *Dallas Morning News* reported that AT&T spent \$18,349 to buy 700 copies of Perry's *Fed-Up* book to distribute at a conservative policy confab in late 2010. Instead of a volume discount, AT&T paid \$4 over the \$22 cover price.²⁶ The book's sales benefit the Texas Public Policy Foundation, founded by crossover donor James Leininger (\$339,233 to Perry/RGA).

Carbon Captured

Governor Perry has railed against the federal government and California for trying to regulate carbon dioxide emissions. Perry said such measures are based on "manipulated data" and would be "absolutely economically disastrous" for energy-rich Texas.²⁷ The tort-averse governor has supported six lawsuits that Texas Attorney General Greg Abbott filed against the EPA claiming that federal officials based greenhouse-gas regulations on flawed science.²⁸ Two Perry crossover donors from the refinery industry heavily bankrolled a failed 2010 initiative to repeal California's climate-change law.²⁹ Valero (\$240,578 to Perry/RGA) spent more than \$4 million in corporate funds on the California initiative.³⁰ Flint Hills, a unit of Koch Industries (\$2.35 million to Perry/RGA), also spent \$1 million on that effort.³¹ The Koch family has bankrolled the Tea Party movement, with which Perry identifies.

Smokestack Fast Track

Governor Perry issued a 2005 executive order to expedite state regulatory approval for a new petroleum-coke plant and 17 new coal plants. None of the plants proposed using the cleanest coal technology. Building all the plants would boost Texas' prodigious mercury, nitrogen oxide and sulfur

dioxide emissions; the proposed plants would emit as much carbon dioxide as 19 million cars. With all the plants built, Texas would surpass the carbon dioxide emissions of California, Florida and New York *combined*.³² Monster TXU Corp. was in line for 11 of the new coal plants, before its \$45 billion buyout in 2007. After the buyout, TXU changed its name to Energy Future Holdings Corp. (\$1 million to Perry/RGA) and abandoned eight of the 11 proposed coal plants.³³ Buyout partner Kohlberg Kravis Roberts & Co. separately gave the RGA another \$650,000. Perry's environmental appointees also granted permits to crossover donor NRG Energy (\$110,000 to Perry/RGA) to build a new coal plant.³⁴

Buying Insurance

Under Texas' backward approach to regulation, insurers increase rates at will, leaving regulators to sometimes whine about it afterwards. In 2009 Governor Perry's Insurance Commissioner ordered State Farm (\$142,000 to Perry/RGA) to repay homeowners policyholders the \$350 million that he said the company overcharged its customers *six years earlier* (Texas' public insurance counsel put the overcharge closer to \$1 billion).³⁵ With State Farm raising rates again in 2010, a state judge once more ordered the insurer to return the eight-year-old overcharges.³⁶ Texans pay higher homeowners insurance rates than every other state but Florida³⁷ and State Farm charges some of the highest rates in Texas.³⁸

V. Crossover Donors Landing State Contracts

Numerous crossover contributors are major government contractors who share the wealth with Governor Perry and the RGA.

Phantom Tollbooths

In 2002 Governor Perry unveiled his grandiose Trans-Texas Corridor (TTC) vision, a 4,000-mile, \$175 billion plan to build the nation's largest expanse of privatized toll roads. The scheme chafed Texans on several counts. Its implementation presupposed staggering eminent domain claims to take private land for roads. Moreover, Texans who are conservative in many ways are socialists when it comes to government spending on *freeways*. This prompted the late columnist Molly Ivins to dub her state, "Mississippi with good roads." Still, Perry's TTC did have a constituency—with highway contractors and Wall Street. Spellbound by his TTC vision, Governor Perry said in 2004, "When our hair is gray, we will be able to tell our grandchildren that we were in a TXDOT meeting room when one of the most extraordinary plans was laid out for the people of Texas." Before public outcry forced Perry's Texas Department of Transportation to officially pronounce the TTC to be road kill in 2009, the agency awarded contracts to finance and build two TTC segments. The companies that got those financing and construction contracts included crossover donors Williams Brothers Construction (\$621,000 to Perry/RGA), Parsons Corp. (\$410,000 to Perry/RGA) and JPMorgan Chase (\$191,500).³⁹

\$5 Billion Transmission

The wind farms Texas built over the past decade are concentrated in West Texas—far from their cities that crave their kilowatts. This has overwhelmed the electric grid that links these rotors to populated East Texas. After Texas lawmakers directed Perry's Public Utility Commission (PUC) appointees to fix this bottleneck, Governor Perry joined the chorus in 2006, arguing that power companies would invest \$10 billion in Texas winds if they could take their juice to market. Phil Wilson, then the governor's deputy chief of staff, estimated that the fix would cost ratepayers several hundred million dollars. That price ballooned to \$5 billion when the PUC awarded the grid-building contracts in 2009.⁴⁰ The fattest grid contract—worth \$1.3 billion—went to Texas Energy Future Holdings (\$1 million to Perry/RGA), which boasted a new executive: ex-Perry point man Phil Wilson. Three other Perry crossover donors got big grid contracts. A consortium involving American Electric Power (\$397,500 to Perry/RGA) won a \$789 million contract. Florida Power & Light (\$181,500 to Perry/RGA) got a \$564 million contract. And Perry's appointees granted a \$394 million contract to a unit of Hunt Consolidated (\$175,000 to Perry/RGA).

Privatizing Food Stamps

In 2003 Texas enacted an ambitious plan to fold 12 human service bureaucracies into five survivor agencies and to privatize related services. Perry's Health and Human Services Commission awarded a five-year, \$900 million contract in 2005 to a team of private contractors to run welfare enrollment call centers. The contractors included crossover donors Maximus (\$360,700 to Perry/RGA) and Northrop Grumman (\$312,500 to Perry/RGA). The Austin-area pilot program was disastrous. An overwhelmed computer system and the replacement of experienced caseworkers with unskilled contract workers fed a backlog of 7,200 Food Stamp applications. By the time HHSC terminated the contract, a program that was supposed to save taxpayers \$646 million instead had cost them \$97 million.⁴¹

Innovative Medicaid Savings

Texas lawmakers ordered state officials in 1995 to switch to an HMO managed-care model to deliver long-term and acute care to elderly and disabled Medicaid clients. After a pilot program in Houston,

Perry's Health and Human Services Commission (HHSC) expanded the program in 2007 to three more metropolitan areas to save an estimated \$110 million over two years. The state contracted with four HMO contractors, including crossover donors UnitedHealthcare (\$965,500 to Perry/RGA) and AmeriGroup Corp. (\$350,000 to Perry/RGA). Some of the contractors ingeniously slashed their own costs by not providing Medicaid patients with doctors. This quickly became apparent during the rollout of the expanded program. Taylor Dickson, a disabled carpenter, told the *Austin American-Statesman* that he repeatedly called doctors on an in-network list provided by UnitedHealth's Evercare. "I'd say, 'Evercare,' and they'd say, 'Oh no.'" HHSC temporarily barred Evercare from enrolling new patients. Next it suspended new enrollments for AmeriGroup, citing the failure to meet minimal service requirements. Home-health care companies also revolted against the program, saying the HMO contractors delayed paying their bills, if they paid at all.⁴²

Captive Markets

Suddenly discovering shocking conditions at a West Texas youth detention facility in 2007, the Perry-appointed heads of the Texas Youth Commission abruptly shuttered the Coke County Juvenile Justice Center and cancelled the facility's contract with Geo Group (\$552,883 to Perry/RGA). The facility previously won high marks from state inspectors whom the Youth Commission had recruited from the Geo Group.⁴³ Auditors who had to wipe feces off their shoes after visiting the place reported that the facility flunked medical, educational, hygiene and safety standards.⁴⁴ The Youth Commission cancelled this Geo contract but Texas let Geo keep operating nine other facilities.⁴⁵ Crossover donor Corrections Corporation of America (\$849,701 to Perry/RGA) is Texas' No. 1 prison contractor. Corrections Corp. also contracts with governments to provide health care to detainees. The *Austin American-Statesman* reported that Governor Perry's office pushed privatizing prison health care services as a cost-saving measure in 2011 but the legislature did not embrace the scheme.⁴⁶ Perry's one-time roommate and former chief of staff, Mike Toomey, has lobbied for Corrections Corp. for years. Toomey, who has organized a super PAC to push Perry's presidential campaign, told *Mother Jones* magazine that he never promoted the plans to privatize prison health care.⁴⁷

Mandated Vaccines

Governor Perry shocked his state in 2007 when he tried to make Texas the first state requiring pre-teen girls to receive a new Merck-made vaccine against the sexually transmitted human papillomavirus (HPV), which can cause cervical cancer. The move stiff-armed the abstinence-only position popular with Perry and his social conservative base (some of whom worry that the vaccine encourages promiscuity). Others were stunned that Perry—with his negligible record on women's health—circumvented the legislature by mandating the vaccine by executive order (lawmakers soon halted the mandate). The only thing that seemed to explain Perry's behavior was that he was helping his onetime roommate and ex-chief of staff Mike Toomey, a longtime lobbyist for Merck (\$406,000 to Perry/RGA).⁴⁸ Perry, who vigorously defended this vaccine order for years, renounced it as a "mistake" as soon as he started courting conservative presidential voters in key primary states.⁴⁹ Texas' meningitis vaccine mandate is much less controversial because Perry did not impose it via executive order and because it's not all about teenage sex. In 2009 Perry signed a bill into law requiring college students entering on-campus housing to get a meningitis vaccine (the disease is most prevalent among college-aged adults).⁵⁰ Perry then signed a 2011 bill that extends the mandate to college students in off-campus housing.⁵¹ The meningitis mandates are a sales booster for Novartis Pharmaceuticals (\$705,000 to Perry/RGA), which aggressively pushed to turn its meningitis vaccines into blockbusters.⁵²

VI. Perry's Crossover-Donor Appointees

In its 2010 report on [Governor Perry's Patronage](#), Texans for Public Justice found that Perry raised \$17.1 million from 921 appointees (or their spouses) whom he had appointed to state office. This accounted for a stunning 21 percent of all the gubernatorial campaign money that Perry raised through June 2010. Governor Perry's RGA crossover contributors also have a knack for landing gubernatorial appointments. Forty three crossover contributors have employed 89 people whom Governor Perry has appointed to state posts 106 times (this excludes multiple appointments of the same person to the same office). Covering 11 years, these gubernatorial appointments occurred before, after and in between the crossover contributions tracked in this report.

Toyota Safari

The *Texas Tribune* reported that Governor Perry recently ignored patronage critics by promoting crossover donor T. Dan Friedkin to chair the Parks & Wildlife Commission.⁵³ Friedkin heads Gulf States Toyota (\$571,000 to Perry/RGA), which his father, Thomas H. Friedkin, founded. Perry first appointed Dan Friedkin to the Parks & Wildlife Commission in 2005. Friedkin now replaces crossover contributor Peter Holt as commission chair.

Changing Planes—and Horses

George "Brint" Ryan's Ryan & Co. helps corporate clients press tax disputes with the Texas Comptroller. Apparently Ryan racked up successes under former Comptroller Carole Keeton Strayhorn. Ryan became the biggest bankroller of Strayhorn's failed 2006 campaign to unseat Governor Perry. A Perry spokesman criticized this arrangement at that time, arguing that Strayhorn was in a prime position to do favors for her biggest donor. By 2009, Ryan emerged as a top contributor to the RGA and to Perry and shuttled the governor on his private plane.⁵⁴ That year Perry made Ryan a University of North Texas Regent. Ryan recently hooked up with Perry lobbyist pal Mike Toomey, as well as associates of Perry's political strategist, Dave Carney, to form Make Us Great Again. It is one of the so-called "super PACs" raising unlimited funds to "independently" assist Perry's presidential bid.⁵⁵

Perry's Home Court

One of Bob Perry's greatest influence coups came at the expense of Robert and Jane Cull, who bought a lemon Perry Homes house outside Fort Worth. When the Culls won an \$800,255 arbitration award in that case in 2002, Perry Homes asked three state courts to vacate the arbitrator's award (which courts rarely do). After two courts rejected this appeal, Perry Homes went to the Texas Supreme Court. All nine Supreme Court justices had taken campaign contributions worth between \$5,000 and \$20,000 from Bob Perry, making him that court's No. 1 individual donor. Yet *none* of the justices recused themselves from the case.⁵⁶ Although Texas typically elects state judges, the governor appoints a replacement if a judge leaves office mid-term. Five of the nine justices who participated in *Perry Homes v. Robert Cull* had at one time been appointed to the court by Governor Perry.⁵⁷ The Texas Supremes vacated the arbitrator's award in 2008 and remanded the case for a trial. A jury then awarded the Culls \$58 million in damages in 2010.⁵⁸ To avoid further appeals in the decade-old odyssey, the parties reached a confidential settlement in 2011.⁵⁹ Governor Perry also appointed Perry Properties executive David Gordon Wallace to the Texas Economic Development Corp. in 2005. Bob Perry's son Will founded that development company.

Perry Appointed Employees of Many Crossover Contributors to State Posts

Crossover Contributor	Crossover Total	Related Appointee	Appointment	Last Appoint. Date
3M	\$143,500	Michelle H. Diggs	Human Rights Commission	5/1/2009
Anadarko Petro.	\$170,000	Dwight 'Clint' Moore	Interstate Oil & Gas Compact	6/7/2006
AT&T*	\$2,427,007	David R. Lopez	TX Tech University Regents	4/10/2001
AT&T*	\$2,427,007	Jan Newton	Tax Reform Commission	11/4/2005
AT&T*	\$2,427,007	Jeanne I. Hatfield	Skill Standards Board	4/30/2001
AT&T*	\$2,427,007	Joseph R. Croci	Skill Standards Board	5/27/2010
AT&T*	\$2,427,007	Rodney J. Unruh	One Call Board	3/30/2009
AT&T*	\$2,427,007	Weston Martinez	Real Estate Commission	5/17/2011
AT&T*	\$2,427,007	Whitney B. Wolf	Skill Standards Board	3/23/2005
AT&T*	\$2,427,007	Willard J. Kirkpatrick	Rec. Boat Safety Advisory	9/1/2009
Atmos Energy	\$126,000	James B. Wynn	One Call Board	12/17/2008
Atmos Energy	\$126,000	Virginio Ortega	One Call Board	10/17/2008
Bank of America	\$607,500	Edwin Goodman	Golden Crescent Reg. Review	7/30/2002
Bank of America	\$607,500	Jennifer Taylor	Special Education Advisory	3/12/2009
Bank of America	\$607,500	Kimberly Shambley	Fire Protection Commission	5/1/2009
Bank of America	\$607,500	Kimberly Shambley	Manufactured Housing Board	4/11/2005
Bank of America	\$607,500	Kimberly Shambley	Real Estate Research Advisory	4/30/2010
Bank of America	\$607,500	Patricia A. Watson	Gov's Com. on Disabilities	7/29/2010
Bank of America	\$607,500	Ray 'Tripp' Davenport	Ethics Commission	10/7/2008
Boeing Co.	\$190,000	Dennis D. Stuart	Aerospace/Aviation Advisory	7/28/2006
Boeing Co.	\$190,000	Leland A. Williams	Aerospace/Aviation Advisory	7/21/2004
Boeing Co.	\$190,000	Patrick Leahy	Aerospace/Aviation Advisory	9/9/2009
Bristol-Meyers	\$358,000	Avery Rhodes	Diabetes Council	8/26/2003
CenterPoint Energy*	\$217,000	Jerry Jay Langdon	Energy Planning Council	2/11/2004
CenterPoint Energy*	\$217,000	Jerry Jay Langdon	Interstate Oil & Gas Compact	11/29/2001
CenterPoint Energy*	\$217,000	Joseph F. Berry	One Call Board	9/24/2010
Chevron	\$625,000	John David McCloy	Early Child. Interv. Advisory	9/20/2006
Citigroup	\$752,883	Dale Wills Brock	TX Commission on Arts	3/15/2010
ConocoPhillips	\$217,500	Eileen Dey	Interstate Oil & Gas Compact	11/28/2001
ConocoPhillips	\$217,500	Tom Sellers	Interstate Oil & Gas Compact	5/9/2006
CVS	\$257,500	John Dennison Jr.	Pharm. & Therapeutics Com.	12/1/2010
Dell Computer	\$260,870	George Francis IV	Marriage/Family Therapists Bd.	5/17/2011
Dell Computer	\$260,870	Kathleen O. Angel	Health/Human Services Eligibility	10/31/2007
Dell Computer	\$260,870	Kathleen O. Angel	Health/Human Services Council	4/20/2011
Dell Computer	\$260,870	Kathleen O. Angel	Health Care Info. Council	2/26/2002
Dell Computer	\$260,870	William McAfee	Library & Archives Com.	2/15/2008
Dow Chemical Co.	\$343,500	Billy G. Davis	Health Care Info. Council	6/8/2001
Dow Chemical Co.	\$343,500	Kevin Land	BioEnergy Policy Council	6/10/2010
Dow Chemical Co.	\$343,500	Robert Jewell	Energy Planning Council	2/11/2004
Dow Chemical Co.	\$343,500	Sharon Barnes	Medical Board Review Com.	10/31/2008
Dow Chemical Co.	\$343,500	Sharon Barnes	Health/Human Services Council	6/19/2008
Energy Future Hold.*	\$1,083,575	Erle Nye	A&M University Board Regents	4/2/2003
Energy Future Hold.*	\$1,083,575	Jerry Farrington	Higher Ed. Coordinating Board	10/24/2001
Energy Future Hold.*	\$1,083,575	Jerry Farrington	Interim Com. on Higher Ed.	9/12/2003
Energy Future Hold.*	\$1,083,575	Mitchell L. Lucas	Radiation Advisory Board	5/28/2008
Energy Future Hold.*	\$1,083,575	Richard Williams	Emerging Tech. Advisory Com.	9/1/2009

Energy Future Hold.*	\$1,083,575	Sam 'Phil' Wilson	Economic Dev. Corp.	2/19/2004
Energy Future Hold.*	\$1,083,575	Sam 'Phil' Wilson	Border Commerce Coordinator	6/29/2007
Energy Future Hold.*	\$1,083,575	Sam 'Phil' Wilson	Border Security Council	9/10/2007
Energy Future Hold.*	\$1,083,575	Sam 'Phil' Wilson	Cancer Prevention/Res. Instit	3/12/2010
Energy Future Hold.*	\$1,083,575	Sam 'Phil' Wilson	Secretary of State	7/1/2007
Exxon Mobil Corp.	\$1,024,000	Douglas E. Walker	Coastal Water Authority Board	4/26/2011
Exxon Mobil Corp.	\$1,024,000	Johnny Casmore Jr.	Sabine...Pilot Commission	11/5/2001
Exxon Mobil Corp.	\$1,024,000	Kathleen Jackson	Lwr. Neches Valley Auth. Board	8/6/2009
Exxon Mobil Corp.	\$1,024,000	Kevin Murphy	BioEnergy Policy Council	9/15/2009
Exxon Mobil Corp.	\$1,024,000	Lori J.Ryerkerk	Enviro. Flows Advisory	2/28/2006
Exxon Mobil Corp.	\$1,024,000	Michael Kerby Jr.	BioEnergy Policy Council	7/1/2011
Exxon Mobil Corp.	\$1,024,000	Zebulun Nash	Coastal Water Authority Board	4/26/2011
Exxon Mobil Corp.	\$1,024,000	Zoe Milian Barinaga	Gulf Coast Waste Disposal Auth.	8/31/2009
Fla. Power/Light	\$181,500	Kim A. Godfrey	Energy Planning Council	2/11/2004
Gulf States Toyota	\$571,000	T. 'Dan' Friedkin	Parks & Wildlife Commission	2/1/2011
HNTB Corp.	\$369,500	Lamberto J. Balli	Prof. Engineers Board	1/7/2011
Peter Holt	\$637,740	Peter Martin Holt	Parks & Wildlife Commission	5/9/2005
Hunt Consolidated	\$175,000	Hunter Hunt	Tax Reform Commission	11/4/2005
Hunt Consolidated	\$175,000	James Oberwetter	Incentive Program Advisory	8/6/2002
Hunt Consolidated	\$175,000	Jeanne L. Phillips	Cancer Prevention/Res. Instit	3/13/2008
Johnson & Johnson	\$158,498	Billy W. Kerr	Texoma Regional Review	6/28/2002
Koch Industries	\$2,350,000	Katie D. Stavinocha	Jobs & Education Texans Grant	7/15/2011
Liberty Mut. Insur.	\$310,000	Marianne Caironi	Health Care Delivery Networks	10/19/2001
Lockheed Martin	\$231,000	Callie M. Matthews	Autism Council	3/1/2011
Lockheed Martin	\$231,000	David Brent Faith	Health Care Delivery Networks	10/19/2001
Lockheed Martin	\$231,000	Patrick J. Oliver III	One Call Board	4/24/2001
Lockheed Martin	\$231,000	Richard Stevenson	Early Child. Interv. Advisory	7/21/2004
Lockheed Martin	\$231,000	Sandra Shoemaker	Aerospace/Aviation Advisory	8/11/2010
MassMutual	\$632,500	Ruth C. Schiermeyer	Water Advisory Council	12/12/2001
MassMutual	\$632,500	Ruth C. Schiermeyer	Public Finance Authority	5/2/2007
MetLife	\$179,500	Ronald D. Henson	Military Preparedness Com.	5/11/2007
MetLife	\$179,500	Ronald D. Henson	Strategic Military Planning Com.	3/11/2002
N. Cypress Med. Ctr.	\$705,000	Amy N. McLeod	Dietitians Board of Examiners	5/15/2008
Occidental Petro.	\$115,000	Irwin 'Irv' Kowenski	Energy Planning Council	2/11/2004
Parsons Corp.	\$410,000	Donna N. Williams	TX State University Bd. Regents	3/21/2011
Perry Homes	\$13,981,799	John R. Krugh	Residential Construction Com.	9/8/2003
Pfizer, Inc.	\$2,081,640	Rogelio 'Roy' Martinez	Animal Health Commission	3/11/2002
Prudential Financial	\$168,500	Catherine Rodewald	Board of Public Accountancy	8/29/2001
Raytheon Co.	\$150,750	Gwendolyn Evans	Aerospace/Aviation Advisory	9/9/2009
Raytheon Co.	\$150,750	Justin McNamee	Prof. Geoscientists Board	3/11/2010
Raytheon Co.	\$150,750	Lars A. Anderson	Commission for the Blind	10/18/2001
Ryan, Inc.	\$1,288,334	George 'Brint' Ryan	U. of North TX Board Regents	8/24/2009
Ryan, Inc.	\$1,288,334	Mark Warner Eidman	Public Finance Authority	3/22/2011
Shell Oil Co.	\$242,000	Albert H. Myres Sr.	TX Southern University Advisory	1/31/2007
Shell Oil Co.	\$242,000	James 'Jay' Murphy	Radiation Advisory Board	5/28/2008
State Farm Insur.	\$142,000	Dean T. Robinson	South East TX Regional Review	7/24/2002
State Farm Insur.	\$142,000	Elroy Carson	Appraiser Licensing/Cert.	10/8/2004
State Farm Insur.	\$142,000	Elroy Carson	Fire Protection Commission	3/29/2011
State Farm Insur.	\$142,000	Kenneth R. Ross	Auto. Burglary/Theft Prevention	2/14/2011

State Farm Insur.	\$142,000	Sylvia Acosta	Nursing Facility Admin. Advisory	10/24/2002
UPS	\$300,000	William A. Simmons	Health Care Delivery Networks	10/19/2001
USAA	\$285,000	Cyndi Taylor Krier	University of TX Board Regents	3/14/2001
Valero Energy	\$240,578	Morris Carter Jr.	Jeff. & Orange County Pilot Board	1/10/2008
Wal-Mart	\$1,438,910	Jeanne Waggener	Pharmacy Board	8/10/2006
Waste Mgmt., Inc.	\$237,500	Lawrence O'Donnell	Energy Planning Council	2/11/2004
Waste Mgmt., Inc.	\$237,500	Tessa Lewis	Asthma/Allergy Research Advisory	12/13/2001
Paul L. Foster	\$541,339	Paul Foster	University of TX Board Regents	10/19/2007
Paul L. Foster	\$541,339	Paul Foster	2007 Inaugural Committee	12/8/2006
Paul L. Foster	\$541,339	Paul Foster	Economic Development Corp.	9/20/2005
Paul L. Foster	\$541,339	Paul Foster	Higher Ed. Coordinating Board	7/22/2004

*Includes predecessor companies.

Energy Future Holdings Corp. and its predecessor TXU Corp. (\$1 million to Perry/RGA), scored the most gubernatorial appointments. Five related appointments went to Phil Wilson. This aide to U.S. Senator Phil Gramm became Governor Perry's communications director in 2002 and served Perry in various capacities. Wilson resigned as the Perry-appointed Secretary of State in 2008 and resurfaced as senior vice president of public affairs for Energy Future Holding's Luminant unit. Perry also appointed former TXU Corp. Chairman and CEO Erle Nye as a regent at Texas A&M University, the governor's *alma mater*.

Perry has appointed crossover contributor Paul Foster (\$541,339 to Perry/RGA) to four prominent posts, including the University of Texas Board of Regents. Foster founded El Paso-based Western Refining, Inc. Refineries have a keen interest in federal efforts to regulate carbon dioxide emissions. Perry has supported six lawsuits that Texas Attorney General Greg Abbott filed against the EPA claiming that its greenhouse-gas regulations are based on flawed science.

Governor Perry appointed eight employees apiece from two crossover contributors: Exxon Mobil and AT&T (with its Southwestern Bell predecessor). Perry appointed folks from AT&T (\$2.4 million to Perry/RGA) to the Texas Tech University Board of Regents and his 2005 Tax Reform Commission. He also appointed eight Exxon Mobil (\$1 million to Perry/RGA) employees to various energy and water boards.

VII. Enterprise Fund Grants to Crossover Donors

Governor Perry's Texas Enterprise Fund has awarded \$46.5 million in taxpayer funds to 11 crossover donors who have given a total of \$3.2 million to Perry/RGA. In its [Phantom Jobs](#) report Texans for Public Justice found that many Enterprise Fund grant recipients failed to meet their job targets in 2009—the most recent compliance data released by the Governor's Office. Four crossover donors failed to comply with their original Enterprise contracts (Fidelity, Lockheed, Hewlett-Packard and Sanderson Farms); two crossover donors did comply with their obligations (Home Depot and Raytheon). For more on the Enterprise Fund's gubernatorial money trail, see the *Texas Observer's* 2010 article [Slush Fun](#). Criticizing the Enterprise Fund's taxpayer handouts would be delicate for at least one presidential candidate. In 2005 Perry awarded a \$2.75 million Enterprise Fund grant to the chemical company owned by the family of Jon Huntsman.

Crossover Donors Funded by Perry's Enterprise Fund

Enterprise Fund Award	Total To RGA & Perry	Crossover-Donor Interest	Description	Location
\$9,675,000	\$120,000	Caterpillar, Inc.	Construction	Peoria, IL
\$8,500,000	\$207,000	Fidelity Investments	Finance	Boston, MA
\$8,500,000	\$196,000	Home Depot USA	Retail	Washington, DC
\$5,480,000	\$231,000	Lockheed Martin Corp.	Defense	Fort Worth, TX
\$5,000,000	\$712,576	Hewlett-Packard Co.	Computers	Palo Alto, CA
\$4,200,000	\$638,000	General Electric Co.	Diversified	Washington, DC
\$2,500,000	\$130,500	Nationwide Mutual	Insurance	Columbus, OH
\$1,000,000	\$361,126	McLane Co.	Transportation	Temple, TX
\$1,000,000	\$150,750	Raytheon Co.	Defense	Houston, TX
\$500,000	\$292,145	Sanderson Farms, Inc.	Food/Drink	Laurel, MS
\$194,000	\$143,500	3M Co.	Diverse	St. Paul, MN
\$46,549,000	\$3,182,597	TOTALS		

Fickle Fidelity

TEF awarded \$8.5 million to Fidelity Global Brokerage (\$207,000 to Perry/RGA) in 2007 to expand its Texas operations and create 1,535 new jobs. Failing to deliver, Fidelity and Governor Perry's office amended this contract in 2009, slashing Fidelity's commitment from 1,535 to 850 jobs. The amendment gives Fidelity five more years to meet a much smaller job target and requires Fidelity to repay \$4 million of its \$8.5 million TEF grant.

Lockheed Lacks Lift

Lockheed Martin (\$231,000 to Perry/RGA) scored \$5.48 million from TEF in 2007 to build a new Houston plant that pledged to create 800 jobs by the end of 2008, when it fell 97 jobs short. The Governor's office amended Lockheed's contract, slashing its job requirements from 800 to 550 jobs and lowering its grant from \$5.48 million to \$4 million. Lockheed reported that it created 677 jobs by the end of 2009, falling short of its original pledge but surpassing the amended one. In 2011 the TEF website continued to claim that the Lockheed deal created 800 jobs.

Hewlett-Packard Bombs

Hewlett-Packard (\$712,576 to Perry/RGA) appointed Mark Hurd as its new cost-cutting CEO in 2005, with analysts predicting he would slash up to 25,000 HP jobs. The next year TEF awarded HP \$5 million to employ 420 people at four new data centers. HP never filed a single compliance report and the parties terminated this TEF contract in 2008.

Sanderson Fails to Hatch

TEF gave Sanderson Farms \$500,000 in 2006 for a new chicken hatchery and processing plant. Sanderson (\$292,145 to Perry/TEF) pledged to create 1,312 jobs by the end of 2008 and to maintain those jobs through 2009 (a job life expectancy not much greater than that of a Sanderson fryer). Sanderson fell 43 jobs short of its target in 2008 and 200 jobs short in 2009. The TEF website in 2011 continued to claim that the Sanderson created 1,312 jobs.

Fat Cat

Governor Perry awarded two Enterprise grants worth a total of \$9.7 million to Caterpillar to open factories that pledged to employ a total of 1,952 people. The company got an estimated \$70 million more in exemptions and tax breaks just for the first project.⁶⁰ The \$120,000 that Caterpillar gave to Perry/RGA does not include the \$637,740 that Perry and the RGA received from Peter Holt, who owns the nation's largest Caterpillar dealership. Democratic gubernatorial candidate Bill White circulated a Caterpillar newsletter in 2010 that said Holt had been "pushing the company for a decade to come to Texas and tried to use his friendship with Perry to help persuade him to commit money from the state's Enterprise Fund to lure the company." Holt downplayed his involvement, telling the *Houston Chronicle*, "they were already rolling when I got involved."⁶¹

Dr. Leininger's Share

The recipient of a \$3 Million Enterprise Fund award, G-Con is part owned by the biotech firm Gradalis. Gradalis, in turn, received \$1.75 million from Perry's other major slush fund, the Emerging Technology Fund. All this is good news for Gradalis investor and crossover donor James Leininger (\$339,233 to Perry/RGA).⁶² Leininger made his fortune with the hospital-bed company Kinetic Concepts, Inc. As a new governor in 2001, Perry appointed former Kinetic public affairs director Diane Rath as chair of the Texas Workforce Commission and former Kinetic CEO Raymond Hannigan to the Texas Board of Health.

VIII. Notes

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- ¹ The Republican Governor's Association is not a formal political committee. Its financial disclosures are made to the IRS as part of large, cumbersome PDF-image documents are not easily searched or databased.
- ² After Perry became RGA chair in 2008, the *Dallas Morning News* reported on Texas donors to Governor Perry who suddenly sent checks to RGA. "Perry Gets Texas Donors to Give to Republican Governors Association," *Dallas Morning News*, April 16, 2008.
- ³ "Rick Perry to Lead RGA," *Politico*, November 12, 2010.
- ⁴ "Perry's Fundraising for Governor's Group Draws Scrutiny," *Houston Chronicle*, August 24, 2011.
- ⁵ "GOP Governors Group Violated Law, Judge Rules," *Austin American-Statesman*, September 1, 2010.
- ⁶ "Texas Gov. Perry's Camp Denies Trying To Hide Source of Last-Minute \$1 M Donation," *Dallas Morning News*, April 10, 2009.
- ⁷ "Did Perry Contributor Earmark Contribution?" *Houston Chronicle*, September 3, 2011.
- ⁸ "Bribery Law To Be Rewritten," *Houston Chronicle*, November 4, 1989.
- ⁹ "Perry's Fundraising for Governor's Group Draws Scrutiny," *Houston Chronicle*, August 24, 2011.
- ¹⁰ "A Builder, A Commission, A Lot of Cash," *Houston Chronicle*, August 24, 2008.
- ¹¹ "Unassuming Home Builder Getting More Notoriety for Latest Donation," *Austin American-Statesman*, August 28, 2004.
- ¹² "Sunset Agency: It's Time To Raze Ineffective Construction Panel," *Dallas Morning News*, August 20, 2008.
- ¹³ "Radioactive Waste License OK'd," *Dallas Morning News*, January 15, 2009.
- ¹⁴ "[Nuclear Compact With the Devil](#)," *TPJ's Lobby Watch*, April 29, 2010.
- ¹⁵ "Commission Approves Rules for Low-Level Radioactive Waste Importation to West Texas," *Midland Reporter-Telegram*, January 4, 2011. "Importing Low-Level Radioactive Waste OK'd," *Austin American-Statesman*, January 5, 2011.
- ¹⁶ "Perry Sought to Sideline Nuclear Waste Site Critic," Reuters, September 1, 2011. The November 2010 election of Vermont Democratic Governor Peter Shumlin jeopardized the vote. Shumlin initially opposed dump expansion out of fear that other states would fill the dump before Vermont finished dumping all its waste there. The Compact solved this problem just before the vote by granting Vermont 20 percent of the dump's capacity.
- ¹⁷ "Harold Simmons Is Dallas' Most Evil Genius," *D Magazine*, February 2010.
- ¹⁸ "As Governor, Perry Backed Wind, Gas and Coal," *Texas Tribune/New York Times*, August 20, 2011.
- ¹⁹ "Tax-Dodging Gas Producers Gave Politicos \$2 Million," *TPJ's Lobby Watch*, May 3, 2011.
- ²⁰ "Pilgrim's Pride Seeks Chapter 11 Protection," *Dallas Morning News*, December 2, 2008. The Brazilian conglomerate JBS SA bought a majority stake in Pilgrim's Pride for \$800 million in late 2009.
- ²¹ "\$100,000 Gift Led the Attack on Ethanol," *Houston Chronicle*, July 1, 2008.
- ²² "Poultry King Paid for Perry's Airfare, Gave to Campaign," *Houston Chronicle*, July 16, 2008.
- ²³ See various editions of TPJ's "Austin's Oldest Profession" reports, which analyze Texas lobby expenditures.
- ²⁴ "[Special Sessions for Special Interests](#)," Texans for Public Justice, April 2006.
- ²⁵ "Rick Perry Takes AT&T's \$500,000, Then Asks Feds for 'Light' Regulation," *The Nation*, September 1, 2011.
- ²⁶ "AT&T Spends \$18,000 buying Rick Perry Book," *Dallas Morning News*, January 31, 2011.
- ²⁷ "Manmade Global Warming Disputed," *Dallas Morning News*, August 18, 2011. "Perry: Carbon Caps 'Disastrous' for Texas," *Wall Street Journal*, December 12, 2008. "Perry Shills For Big Coal," *Texas Observer*, October 5, 2010.
- ²⁸ "What Might a President Perry Change About the EPA?" *Austin American-Statesman*, July 24, 2011.
- ²⁹ A PAC called Protect Jobs the Economy and Education promoted Proposition 23, the failed effort to repeal California's 2006 climate-change law (AB 320).
- ³⁰ See the "Energy & Natural Resources" section of TPJ's "[Texas PACs: 2010 Election Cycle Spending](#)," August 2011.
- ³¹ Another Texas refiner, Tesoro Corp., sunk more than \$2 million into that California initiative.
- ³² "Critics Blast Texas Plans for New 'Dirty' Coal Plants," NPR's All Things Considered, September 25, 2006.
- ³³ "TXU Bidders Would Cut 8 of 11 Proposed Plants," *Dallas Morning News*, February 25, 2007.
- ³⁴ "[TCEQ Grants Air Permit to NRG's 744-MW Coal-Fired Limestone Expansion](#)," *PowerNews*, December 16, 2009.
- ³⁵ "State Farm Ordered to Pay for Overcharging," *Dallas Morning News*, November 17, 2009.

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- ³⁶ "State Farm Plans 2nd Rate Hike in 8 Months," *Dallas Morning News*, March 12, 2010. "Insurer Told to Pay Up," *Dallas Morning News*, April 12, 2011.
- ³⁷ "Texas' Rates Drop to No. 2, Study Shows," *Dallas Morning News*, December 30, 2009.
- ³⁸ "State Farm Near Top in Rates," *Dallas Morning News*, September 7, 2011.
- ³⁹ "[Politicians Get Burned Paving Texas Backwards, From the Top Down](#)," TPJ's Watch Your Assets, January 7, 2009.
- ⁴⁰ "[Political Juice Amped Up \\$5 Billion Power-Grid Contracts](#)," TPJ's Lobby Watch, March 15, 2010.
- ⁴¹ "[Peddling Welfare-Privatization Boondoggles](#)," TPJ's Watch Your Assets, July 18, 2007.
- ⁴² "[Peddling Welfare-Privatization Boondoggles](#)," TPJ's Watch Your Assets, July 18, 2007.
- ⁴³ "Fired TYC monitors had worked for facility's operator," *Dallas Morning News*, October 12, 2007.
- ⁴⁴ "TYC official blasts GEO Group over Coke County facility conditions," *Dallas Morning News*, October 5, 2007.
- ⁴⁵ "[Lax Oversight Plagues Private Prisons in Texas](#)," TPJ's Watch Your Assets, February 6, 2008.
- ⁴⁶ "Perry Aides Explore Privatizing Prisoner Health Care," *Austin American-Statesman*, March 29, 2011. "Bid Option For Prison Health is Approved," *Austin American-Statesman*, June 17, 2011
- ⁴⁷ "Flush With Prison Industry Dollars, Rick Perry Pushed Privatized Prisoner Care," *Mother Jones*, September 1, 2011.
- ⁴⁸ "[Experts At A Loss To Explain How Governor Got HPV Bug](#)," TPJ's Lobby Watch, February 14, 2007.
- ⁴⁹ "[Rick Perry Reverses Himself, Calls HPV Vaccine Mandate a 'Mistake'](#)," *Washington Post*, August 16, 2011.
- ⁵⁰ House Bill 4189.
- ⁵¹ Senate Bill 1107.
- ⁵² "[FDA Chides Novartis on Meningitis Vaccine Promotion](#)," Reuters, July 1, 2011.
- ⁵³ "Despite Scrutiny, Perry Gives Two Donors Plum Posts," *Texas Tribune*, August 25, 2011.
- ⁵⁴ "Rick Perry's New Best Friend," *Dallas Morning News*, January 29, 2009.
- ⁵⁵ "New Pro-Rick Perry Super PAC Consolidates Support," *Washington Post*, August 11, 2009.
- ⁵⁶ "[Justices Rule For No. 1 Individual Campaign Donor](#)," Texans for Public Justice News Release, May 2, 2008.
- ⁵⁷ The Perry appointed justices were Scott Brister, Wallace Jefferson, David Medina, Phil Johnson and Don Willett.
- ⁵⁸ "Home Lawsuit Shifts Again," *Dallas Morning News*, March 3, 2010.
- ⁵⁹ "Perry Homes Settles Decade-Old Lawsuit By Mansfield Couple," *Fort Worth Star-Telegram*, January 27, 2011.
- ⁶⁰ "Luring the Cat To Texas," *Texas Rising*, September/October 2009.
- ⁶¹ "White Camp Blasts Perry Over Fund Use," *Houston Chronicle*, May 18, 2010. "Rick Perry's Donors Fare Well, Texas-Style," *Washington Post*, September 1, 2011.
- ⁶² "[Rick Perry's Heavenly Host: Dr. James Leininger Convenes Christian-Right Retreat for Perry](#)," Texans for Public Justice, August 2011.