

# Perry's Roomie Mike Toomey Mobilizes The Corporate Lobby to 'Make Us Great Again'



State Library & Archives Commission.

Then-State Reps. Mike Toomey & Rick Perry.

## **Contents:**

Rep. Toomey	2
Revolving Door	3
Birth of a Dream Client	4
2002 Elections	6
Payback Time	8
Let's Make a Deal	12
Dark Arts	13
Notes	16

# Perry's Roomie Mike Toomey Mobilizes The Corporate Lobby to 'Make Us Great Again'

After Texas' pivotal 2002 elections the state's three top politicians all hired lobbyists to run the government. "Republican leaders boldly began delivering on their promise to increase efficiency and cut waste just one week after they won control of every branch of Texas government," observed the *Texas Observer*. "Rather than having corporations pay lobbyists millions of dollars to influence government, the state's new leaders recruited some of Texas' most powerful lobbyists to run the government directly."<sup>1</sup> The most feared and respected lobbyist then seizing power was gubernatorial Chief of Staff Valens "Mike" Toomey, who founded Perry's "independent" Super PAC Make Us Great Again.

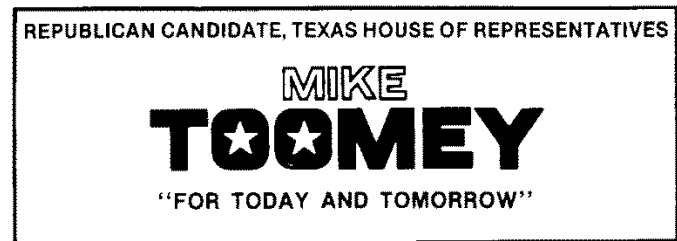
At that time in late 2002 Toomey was at the top of his game. Twenty years earlier Houston-area voters had elected this attorney to one of just 36 Republican seats in the 150-member Texas House. Now a new Republican House majority was preparing to elect Texas' first GOP House Speaker since reconstruction, thereby helping Congressman Tom DeLay redraw Texas' congressional districts. Toomey, meanwhile, would head the staff of his friend Rick Perry, who would govern the state longer than any previous Texas governor. While other mortals played key roles in the GOP takeover of the Texas House or helped engineer Perry's improbable gubernatorial longevity, none can claim more credit for both of these feats than Toomey.

Toomey has a reputation for being smart, hard working, ideologically uncompromising and lacking in empathetic people skills. "He sees the world as good and bad, evil and pure, right and wrong," the late Rep. Ric Williamson told *Texas Monthly*.<sup>2</sup> During his short legislative career Rep. Toomey was best known as a tenacious opponent of lawsuits and government spending (he has since acquired a lobbyist's taste for privatization boondoggles). As a young lawyer from 1977 until his 1982 election Toomey sometimes represented plaintiffs in civil suits. He even joined his future nemesis: the Texas Trial Lawyers Association. "I was so stupid about politics that I put on my very first resume that I was a member of the TTLA," he later told the *Austin American-Statesman*.<sup>3</sup>

## Rep. Toomey

Toomey's early campaign reports hail from a quaint era when \$1,000 stuck out as a large political contribution or expenditure. Houston homebuilder Bob Perry, who would become Governor Perry's No. 1 individual contributor, was a top backer of Toomey's first campaign, contributing \$1,000 in 1981 and 1982. Business PACs bankrolled subsequent Toomey campaigns, especially the PAC of Houston Industries, an electric utility that helped launch the attack on Texas lawsuits.<sup>4</sup> Toomey also reported spending \$1,000 in 1981 to get campaign training in Washington from conservative activist Paul Weyrich's Committee for the Survival of a Free Congress.<sup>5</sup>

Toomey's first legislative session in 1983 was the last for Tom DeLay, who was elected to Congress in the Orwellian year 1984. DeLay and Toomey conspired 20 years later to elect a Republican majority to the Texas House and redraw Texas' congressional districts. DeLay's 1985 move to Washington made room on the House Appropriations Committee.



Genuine 1982 campaign propaganda from the State Archives.



Tom DeLay and Toomey served in the Texas House in 1983—20 years before conspiring on redistricting.

Democratic Speaker Gib Lewis assigned Toomey to a vacancy there. With oil prices and state revenues plummeting, Toomey established himself as an Appropriations Committee deficit hawk. He made *Texas Monthly's* list of Texas' top 10 lawmakers and earned the moniker "Mike the Knife."

Toomey's blade impressed some House freshman that year, including Democratic Rep. Rick Perry. During the 1987 session, when Toomey chaired the House Judiciary Committee, Speaker Lewis appointed Perry to the Appropriations Committee, where he became one of eight cost-cutting sophomores known as the "Pit Bulls."<sup>6</sup> Toomey roomed with and mentored Perry and other Pit Bulls in Austin that session. These included then-Democratic Reps. Cliff Johnson and Ric Williamson, who later became part of Perry's Toomey-led advisory cabinet.<sup>7</sup>

Toomey resigned from the House in late 1987 to work for—and later replace—George Bayoud, Republican Governor Bill Clements' chief of staff.<sup>8</sup> Toomey helped Clements slash spending amidst the S&L meltdown and chip away at injured-worker rights. Chicken magnate Lonnie "Bo" Pilgrim helped gut worker's compensation in 1989 by doling out \$10,000 checks to lawmakers.<sup>9</sup>

Texas voters elected their last Democratic governor, Ann Richards, with just 49 percent of the vote in 1990.<sup>10</sup> In that same election newly converted Republican Rick Perry narrowly toppled incumbent Democratic Agriculture Commissioner Jim Hightower with just 49 percent of the vote.<sup>11</sup> A controversial ad that Perry and consultant Karl Rove ran that year showed Hightower with black activist Jesse Jackson next to the words, "Does Hightower share your values?"<sup>12</sup>

An early champion of organic foods, Hightower angered agribusinesses and chemical companies by restricting hormones and pesticides to protect farm workers and consumers.<sup>13</sup> Chemical companies protested to Governor Clements. In his last legislative session in 1989, Rep. Rick Perry led the fight to stop Hightower from regulating pesticides.<sup>14</sup> Pesticide pioneer Rohm & Haas soon became one of the first companies to hire Toomey as a lobbyist.<sup>15</sup>

**Revolving Door**

Toomey started a fabulously successful lobby career two months before the 1990 elections.<sup>16</sup> Toomey reported his first 24 lobby clients to the Secretary of State before the Ethics Commission took over lobby records in 1993.<sup>17</sup> More than half of Toomey's early clients hailed from such litigious industries as alcohol, chemicals, construction, drugs, energy and medicine. Over a 30-year career in the legislature, the

**Early Toomey Clients (1990 through 1992)**

Apple Computer
*Associated Builders & Contractors
*Bombardier Corp.
*Brown-Forman Corp.
Coal. for Equity in Energy Taxes
*Dal Briar (Rob't/Jack Brittingham)
*Enserch Corp.
*GEC Alsthom
Harris Co. Com. Steve Radack
Harris Co. Precinct 3
Harris-Galv. Coastal Subsidence
*Johnson & Johnson
*Memorial Hospital Foundation
Mike Guidry & Associates
Nat'l Elevator Inspection Svcs.
*Natural Gas Group, Inc.
*Rohm & Haas
*Safe Tire Disposal Corp.
*Southern Union Gas Co.
Trinity Meadows Raceway, Inc.
*TX Assn. of Beverage Retailers
TX Hotel & Motel Assn.
*TX Tank Truck Carriers Assn.
*TX Utilities

\*Litigious-industry clients.

lobby and two gubernatorial administrations, Toomey led the corporate charge against plaintiff lawsuits.

One of Toomey’s first clients was a company run by two brothers who made a fortune before toxic-tort claims closed in on them. As Toomey hit the lobby in 1990, Robert and Jack Brittingham sold their ceramic tile company, Dal-Tile, for \$650 million.<sup>18</sup> The following year the Brittinghams retained Toomey as the Texas Water Commission fined Dal-Tile a record \$1 million for dumping lead waste in Dallas gravel pits. Dal-Tile blundered when it turned a gravel pit near the home of supermom Lorrie Coterill into a toxic dump. Investigating foul odors, the mother of four scaled a fence and discovered sludge containing lead, cadmium and arsenic. A federal judge fined Robert Brittingham \$4 million in 1993 for ordering employees to illegally dump such hazardous waste. It was then the largest environmental fine ever levied on an individual.<sup>19</sup>

Around this time Texas Agriculture Commissioner Rick Perry became interested in the prospective waste and foul odors of another business mogul. Developer Tim Timmerman sat on the board of an insurance company that had appointed Perry to its advisory board.<sup>20</sup> Timmerman learned that Dell Computer’s founder was buying land West of Austin. Timmerman told Perry about a strategic parcel that separated local sewer lines from the property where Michael Dell soon would build a 33,000 square-foot estate. The *Dallas Morning News* reported that Perry paid \$122,000 for those nine acres in 1993, obtaining a chokehold over a billionaire’s effluent. Two years later Dell paid \$465,000 for the land that could hold his sewage hostage. Planning to be out of town on closing day in 1995, Perry assigned power of attorney to Toomey to sell the land and make Perry a quick \$343,000.<sup>21</sup> (Perry appointed tipster Tim Timmerman to the board of the powerful Lower Colorado River Authority in 2008.)<sup>22</sup>



**Birth of a Dream Client**

Few revolving-door lobbyists ever find their dream client. A year after Toomey collected Perry’s Dell check, three businessmen who made fortunes in the alcohol and construction industries took \$15,000 in seed money from the tobacco industry and founded Texans for Lawsuit Reform (TLR) in Toomey’s hometown.<sup>23</sup> Made for each other, Toomey became TLR’s top lobbyist and TLR became Toomey’s No. 1 career client. TLR has supplied 5 percent of the up to \$26 million that Toomey has grossed in the lobby.

TLR paid Texas lobbyists between \$4 million and \$8 million from 1994 into 2011. It also established Texas’ largest political committee. TLR’s PAC has raised more than \$28 million, taking much of it from a few dozen businessmen who made fortunes in litigious industries.<sup>24</sup> With Toomey’s counsel, TLR used this war chest to shift Texas’ civil justice system in favor of corporate defendants<sup>25</sup> and to help install GOP majorities in the Senate (in 1997) and the House (2003). Along the way many lawmakers became dependent on this PAC, which sometimes exercised controlling interests in campaigns. Other lawmakers feared that TLR would terminate their political careers unless they walked the line.<sup>26</sup>

**Top TLR Lobbyists  
(1995 to July 2011)**

Lobbyist	Max. Value of Contracts
Michael Toomey	\$1,150,000
Bill Messer	\$1,100,000
Joe A. Garcia	\$500,000
<a href="#">David Sibley</a>	\$500,000
<a href="#">Richard Trabulsi</a>	\$435,000
Ellen Williams	\$400,000
M. Edward Lopez	\$345,000
Michael S. Hull	\$330,000
Michelle Wittenburg	\$300,000
Jim M. Grace Jr.	\$260,000
Matt Welch	\$215,000
<a href="#">G. Alan Waldrop</a>	\$210,000
E. Ashley Smith	\$200,000
Keith Strama	\$200,000

The year Toomey’s dream client was born George W. Bush defeated Governor Richards. Bush campaign manager Karl Rove says in the biography “Bush’s Brain” that he talked Bush into making lawsuits a campaign issue.<sup>27</sup> As a direct-mail king, Rove discovered that tycoons in litigious industries dig deep for candidates who promise to curtail plaintiffs. TLR PAC and its wealthy donors supplied 9 percent of the \$41 million that Bush raised for his two gubernatorial campaigns.<sup>28</sup> After his 1995 inauguration, Bush declared tort reform an “emergency issue.” Over the next two sessions, lawmakers approved anti-plaintiff provisions involving punitive damages, venue, liability thresholds and deceptive trade practices.<sup>29</sup>

### Texas’ Fattest PAC

Election Cycle	Money Raised By TLR PAC
1994	\$630,076
1996	\$1,572,779
1998	\$1,069,976
2000	\$1,482,734
2002	\$2,136,369
2004	\$3,378,368
2006	\$3,886,888
2008	\$4,587,523
2010	\$6,887,155
*2011	\$2,730,343
<b>TOTAL</b>	<b>\$28,362,211</b>

\*Covers first six months of 2011.

TLR PAC did not contribute to Perry’s uphill lieutenant governor race against Democrat John Sharp in 1998 (though TLR’s three founding fathers did).<sup>30</sup> After Perry inherited the Governor’s Mansion from Bush in late 2000, TLR PAC delivered \$220,295 to Perry’s gubernatorial campaigns. That is a modest amount over 10 years for Texas’ largest PAC. Yet it is only part of the story. The same contributors who gave \$20.5 million to TLR’s PAC while Perry was governor simultaneously contributed \$24.9 million to Perry’s campaigns, accounting for 24 percent of Perry’s \$103 million gubernatorial war chest. Led by homebuilder Bob Perry (the governor’s No. 1 individual donor), many of these donors hail from such litigious industries as construction, energy and waste.

### TLR Support For Rick Perry

Date	Amount
6/24/02	\$25,000
10/23/03	\$5,000
12/21/05	\$25,000
12/22/05	\$270
2/2/06	\$1,000
9/5/06	\$1,000
9/13/06	\$5,000
12/1/09	\$3,000
6/30/10	\$5,000
9/16/10	\$25
10/13/10	\$150,000
<b>TOTAL</b>	<b>\$220,295</b>

Critics claimed that Toomey and TLR prompted Governor Perry to overreach at the end of his first legislative session. In the so-called “Father’s Day Massacre,” Perry vetoed a record 78 bills in a single day in 2001. His most controversial veto nixed a proposal to force health insurers to pay health-care providers quickly.<sup>31</sup> Governor Perry hailed the bill as a medical milestone when he addressed the Texas Hospital Association at session’s end. But two weeks later he vetoed it, arguing that it would prevent insurers from forcing billing disputes into arbitration rather than the courts.<sup>32</sup>

A Texas Medical Association (TMA) point man on the prompt-pay bill blamed the veto on Toomey. Surgeon John Coppedge said Toomey used his TLR influence to kill the bill on behalf of such Toomey clients as Cigna and Aetna.<sup>33</sup> Toomey told the *Austin American-Statesman* that he never discussed the bill with Perry but urged Perry’s staff to veto it.<sup>34</sup> When Coppedge asked Toomey why he had not communicated TLR’s concerns about the bill with TMA lobbyists, the surgeon said that Toomey replied, “You don’t understand, those people are the enemy.”<sup>35</sup>

### Toomey Health Insurer Clients

Client	Years
Aetna	'00-'02
Cigna	'96-'02; '05-'11
TX Assn. of Health Plans	'05
UnitedHealth	'05-'11
USA Managed Care Org.	'00-'02

Mike Toomey’s experience, connections, intellect and ideological single-mindedness make him a formidable revolving-door lobbyist. But he could not have become Austin’s grand enforcer without being the lead lobbyist who advises Texas’ biggest war chest. TLR’s PAC gave Toomey the big carrot and stick that he wielded to maximum effect in the 2002 elections.

## Top Perry Contributors Who Gave TLR's PAC \$25,000 or More (January 2001 to July 2011)

Amount To Perry	Amount To TLR	Contributor	Company	Industry
\$2,531,799	\$2,491,000	Bob & Doylene Perry	Perry Homes	Construction
\$1,120,000	\$1,875,000	Harold C. Simmons	Contran Corp.	Waste
\$705,000	\$35,000	Kenny & Lisa Troutt	Mt. Vernon Investments	Communications
\$537,740	\$256,000	Peter & Julianna Holt	Holt Companies	Construction
\$506,668	\$50,000	Lonnie 'Bo' Pilgrim	Pilgrim's Pride Poultry	Meat Packing
\$421,000	\$150,000	James Doug Pitcock Jr.	Williams Bros. Construction	Construction
\$420,000	\$105,000	J. Ralph & Joy Ellis Jr.	Belmont Oil & Gas Corp.	Energy
\$408,758	\$25,000	Paul L. Foster	Western Refining Co.	Energy
\$398,625	\$77,000	B.J. 'Red' McCombs	Red McCombs Auto. Group	Transportation
\$395,070	\$70,000	Charles W. & Judy Tate	Capital Royalty LLC	Finance
\$390,111	\$10,000	L. E. Simmons	SCF Partners	Finance
\$382,889	\$95,000	Jeff Davis Sandefer	Sandefer Capital Partners	Finance
\$377,500	\$1,185,000	T. Boone Pickens	BP Capital	Finance
\$369,144	\$178,000	Woody & Gayle Hunt	Hunt Corp.	Construction
\$361,533	\$75,000	Robert & Terry Rowling	TRT Holdings, Inc.	Energy/Hotels
\$331,000	\$127,000	Stevan Hammond	Marketing Investors Corp.	Marketing/Real Estate
\$330,578	\$85,000	Charles B. Lawrence	Kirby Corp.	Transportation
\$330,000	\$1,875,000	Robert McNair Jr.	Cogen Technologies	Energy
\$286,000	\$250,000	H. Ross Perot	Hillwood Development	Real Estate
\$285,000	\$72,000	Forrest E. Hogle	SeaOne Maritime Corp.	Energy
\$283,919	\$161,000	John L. Nau III	Silver Eagle Distributors	Alcohol
\$283,888	\$96,063	Dan L. Duncan	Enterprise Products	Energy
\$279,000	\$30,500	Dian Owen Graves Stai	Owen Healthcare, Inc.	Health
\$268,000	\$171,500	Louis & Julie Beecherl	Beecherl Companies	Energy
\$261,652	\$26,500	Ned S. Holmes	Parkway Investments	Real Estate
\$257,126	\$125,000	Drayton McLane Jr.	McLane Co., Inc.	Transportation
<b>\$12,522,000</b>	<b>\$9,696,563</b>	<b>TOTALS</b>		

### 2002 Elections

During Texas' 2002 elections three powerful business-funded interests coordinated a multi-million-dollar effort to elect a Republican majority in the Texas House—the state's last bastion of Democratic influence. A key goal of this effort was to elect a GOP House Speaker who would help Congressman Tom DeLay redraw Texas' congressional districts. Joining TLR in these efforts were the Texas Association of Business (TAB) and DeLay's Texans for a Republican Majority PAC (TRMPAC). Criminal and civil investigations into how TRMPAC and TAB spent more than \$2 million in legally questionable corporate funds to influence the elections later revealed that Toomey coordinated the three groups and kept track of how much money was needed for which races.<sup>36</sup> In one example of such coordination, Toomey hired private eyes to dig into the backgrounds of three Democratic House candidates and then billed DeLay's TRMPAC for this service.<sup>37</sup>

DeLay and anti-tax activist Grover Norquist revamped Washington's influence game when they created their aggressive "K Street Project" in the late 1990s. If top lobbyists along Washington's K Street wanted access to the Republican majority, DeLay expected them and their clients to fund Republican causes and hire Republicans as their top lobbyists.<sup>38</sup> Perry helped pioneer these tactics in Texas. After narrowly winning the 1998 lieutenant governor's race, he reportedly leaned on the Austin lobby to repay a \$1.1 million campaign debt in just six weeks.<sup>39</sup>

Perry and Toomey also reportedly sacked a lobbyist in late 2002. That year, the Texas Medical Association (TMA) endorsed Governor Perry’s Democratic challenger, Tony Sanchez. After Perry demolished Sanchez, his office informed the TMA that it would not work with that trade group if Kim Ross continued to run its in-house lobby shop. Toomey told the doctors group, “You’re dead if you don’t get rid of Kim Ross,” Ross told the *Dallas Morning News*.<sup>40</sup> The Medical Association then hired Perry insiders to lobby.<sup>41</sup>

Toomey clients gave \$45,000 in corporate funds to DeLay’s TRMPAC and \$530,000 to TAB. TAB spent \$1.7 million in corporate funds on “independent” ads promoting GOP legislative candidates and attacking Democratic ones. “In the final weeks of the 2002 campaign, when the Texas Association of Business needed a strong hand to steer its \$1.9 million advertising campaign, lobbyist Mike Toomey took charge,” the *Statesman* reported. “Toomey, a TAB board member, supervised meetings, worked on pieces mailed to voters and helped raise money.”<sup>42</sup> TAB did not identify the corporate donors who footed these bills until criminal and civil investigations ensued after the 2002 elections.

Toomey said in a 2006 deposition that he knew a month before the 2002 elections that Governor Perry was hiring him to be his chief of staff.<sup>43</sup> Toomey held that job from December 1, 2002 until September 2004. During this period, Toomey and his allies got subpoenaed and deposed in criminal and civil investigations into that election (Toomey was not charged with a crime). This put Toomey in an unusual position. Although lobbyists heavily promote their political clout to attract clients, Toomey repeatedly downplayed or denied his influence. This role reversal prompted the *Texas Observer* to call Toomey “Texas’ first postmodern lobbyist.”<sup>44</sup>

To join Governor Perry’s staff, Toomey had to decide what to do with his lucrative lobby business. Partner Ellen Williams had worked at Toomey & Associates since 1996.<sup>45</sup> She and Bill Messer started the Texas Lobby Group in late 2002 to take over Toomey’s practice. They soon hired TAB staff lobbyist Lara Laneri Keel.<sup>46</sup> At the time an unnamed lobbyist told the *Dallas Morning News* that the new firm allowed Toomey to “park his clients while he is on the governor’s payroll.”<sup>47</sup>

The new Texas Lobby Group was the axis of Austin’s revolving door. The firm was caretaking clients for the governor’s chief of staff. Partner Bill Messer, who had served in the House with Toomey and Perry, was on the new House speaker’s transition team.<sup>48</sup> When Toomey joined the Texas Lobby Group in

## Lobby Interests That Only Gave To Perry After He Won the 1998 Election

Amount To Perry	1998 Donors Who Only Gave To Perry After the Election
\$25,000	TX Real Estate PAC
\$25,000	TX Medical Assoc PAC
\$20,000	Farmers Employee & Agent PAC
\$20,000	Robert E. & Gordon R. Johnson
\$20,000	Teamsters Local 745 PAC
\$20,000	Tigua Indian Reservation
\$20,000	TX Apartment Assn.
\$20,000	TX Manufactured Housing Assn.
\$16,500	Houston Police Officers Union PAC
\$15,000	Bill Messer
\$10,000	Clark Thomas & Winters
\$10,000	Houston Fire Fighters PAC
\$10,000	Independent Bankers Assn. of TX
\$10,000	Russell “Rusty” Kelley
\$10,000	Mayor Day Caldwell & Keeton
\$10,000	McGinnis Lochridge & Kilgore
\$10,000	TX/Southwestern Cattle Raisers Assn.
\$10,000	TX Civil Justice League PAC
\$10,000	TX Ophthalmological Assn. PAC
\$10,000	TX Optometric PAC
\$10,000	TX Restaurant Assn.
\$10,000	TX Thoroughbred Breeders Assn.

Donations from 11/4/98 through 12/31/98.

## Toomey Clients Backing TAB Or TRMPAC in 2002

Toomey Client	TAB Amount	TRMPAC Amount
AT&T	\$300,000	\$20,000
Aetna	\$100,000	\$0
CIGNA	\$80,000	\$0
Liberty Mutual Ins.	\$25,000	\$0
Philip Morris	\$0	\$25,000
US Managed Care	\$25,000	\$0
<b>TOTALS:</b>	<b>\$530,000</b>	<b>\$45,000</b>

September 2004,<sup>49</sup> the governor’s *ad hoc* ethics rules barred him from lobbying the governor’s office for one year.<sup>50</sup> Yet he could lobby all other state officials and nothing prevented Toomey’s lobby partners from lobbying the governor’s office throughout this period.

### Payback Time

As the 2003 legislative session opened, new House Speaker Tom Craddick and Governor Perry repaid those who bankrolled the GOP’s takeover of the Texas House. Entitled to a big share of the goodies were Tom Delay, TLR’s tort tycoons, the insurance companies that bankrolled TAB and many Toomey clients.

Antics by the Democratic minority forced Governor Perry to call three special legislative sessions before lawmakers delivered in October on Congressman DeLay’s demands for GOP-friendly congressional districts.<sup>51</sup> The Texas redistricting book *Lines in the Sand* says Toomey participated in top redistricting meetings and “directed the governor’s office when Perry was absent from the state during the final stages of redistricting.”<sup>52</sup>

TRMPAC’s No. 1 contributor was homebuilder Bob Perry, who also ranked among TLR’s top three donors in 2002.<sup>53</sup> Texas politicians rewarded Bob Perry with his own regulatory agency in 2003. Ostensibly the Texas Residential Construction Commission was supposed to mediate disputes between the builders and buyers of new homes. But builders, including Bob Perry’s corporate counsel John Krugh, designed the agency. Then Governor Perry just appointed housing-industry representatives—including Krugh—to run the new commission. This industry trade group masquerading as a state agency was such an indefensible waste of resources that the legislature abolished it in 2009.

The *Texas Observer* investigated what TRMPAC and TAB contributors took away from the 2003 legislative session.<sup>54</sup> Led by Farmers, Allstate and Toomey client Liberty Mutual Insurance, homeowners insurance companies gave \$205,000 to TAB and TRMPAC. The following year a bill to reduce Texas homeowners’ insurance rates (long some of the nation’s highest) died in the legislature.<sup>55</sup> Lawmakers also killed a bill that would have kept Toomey client AT&T (\$325,000 to TAB and TRMPAC) from selling Internet service.<sup>56</sup> Extinguishing a bill to increase cigarette

### Top Texas Lobby Group Clients in 2003, When Toomey Was Chief of Staff

2003 Clients of Keel, Messer & Williams	Max. Value of Contracts
Texans for Lawsuit Reform	\$310,000
Oberthur Gaming Technologies	\$250,000
Affiliated Computer Services	\$210,000
Texas Chemical Council	\$190,000
Miller Brewing Co.	\$150,000
Port of Houston Authority	\$150,000
Kraft Foods	\$150,000
HCR Manor Care	\$150,000
Green Mountain Energy	\$150,000
McGraw/Hill Co’s	\$150,000
Assoc. Builders & Contractors	\$150,000
Altria-Philip Morris	\$150,000
American Forest & Paper Assn.	\$150,000
TX Asbestos Consumers Coal.	\$150,000
TX School Alliance	\$150,000
Corrections Corp. of America	\$150,000
State Farm Insurance Co.	\$120,000
Williams Co’s	\$120,000
Harris County	\$110,000
TX Hospital Assn.	\$100,000
UnitedHealth Group	\$100,000
AT&T Corp.	\$75,000
Liberty Mutual Insurance	\$75,000
BearingPoint	\$75,000
Harris-Gal. Coastal Subsidence	\$75,000
USA Managed Care Org.	\$75,000
TX Hotel & Motel Assn.	\$75,000
TX Assn. Ind’t Nursing Homes	\$75,000
Merck & Co.	\$75,000
IBM	\$70,000
AquaSource, Inc.	\$70,000
Schering-Plough	\$70,000
Structural Metals, Inc.	\$70,000
Texas Greyhound Association	\$70,000
Rohm & Haas	\$60,000
TX Gas Service	\$60,000
TX Coal. for Competit. Electricity	\$60,000
Fortis Health	\$50,000
Evercare	\$50,000



taxes, lawmakers ingratiated themselves to TRMPAC donor and Toomey client Philip Morris.

Governor Perry and Toomey patched things up with doctors in 2003 by declaring medical malpractice to be an emergency issue. Lawmakers proposed a state constitutional amendment that would cap medical malpractice damages at the higher of either \$250,000 or an individual's actual economic damages (which run higher for people with large salaries). The amendment placed no limits on the amount of damage that incompetent doctors or hospitals can impose on patients. Governor Perry barnstormed in support of the amendment, which 51 percent of Texas voters approved in November 2003.

Malpractice caps also benefitted nursing homes (under the new caps claims against nursing homes fell 41 percent in Houston's Harris County).<sup>57</sup> During the 2002 election the Alliance for Quality Nursing Home Care gave \$400,000 to TRMPAC and TAB, while two nursing home giants ranked among the top contributors that year to the Texas Republican Party.<sup>58</sup> Toomey's Texas Lobby Group represented Alliance member HCR ManorCare in 2003, as well as the Texas Association of Independent Nursing Homes. Then-Speaker Tom Craddick's calendar listed a July 2003 "tort reform thank you" involving Craddick, Perry, Toomey, Alliance for Quality Nursing founder Kirill Goncharenko and HCR executive [Keith Weikel](#).<sup>59</sup>

Meanwhile Texas racetracks had pressed lawmakers to let them install slot machines to reverse their sinking fortunes. Republican Rep. Beverly Woolley and GOP fundraiser Susan Lilly had solicited funds for TRMPAC in September 2002 from the head of Maxxam, Inc. Maxxam owns Sam Houston Race Park, a longtime Toomey client. As the *Observer* reported, one of the women's notes on their Maxxam meeting observes "horseracing #1" and "retained Elton Bomer – Talked to Toomey."<sup>60</sup> Lobbyist Bomer told the *Dallas Morning News* that his horseracing client paid Toomey's buddies at the Texas Association of Business more than \$100,000 in 2003 to promote the legalization of slot machines (which TAB did).<sup>61</sup>

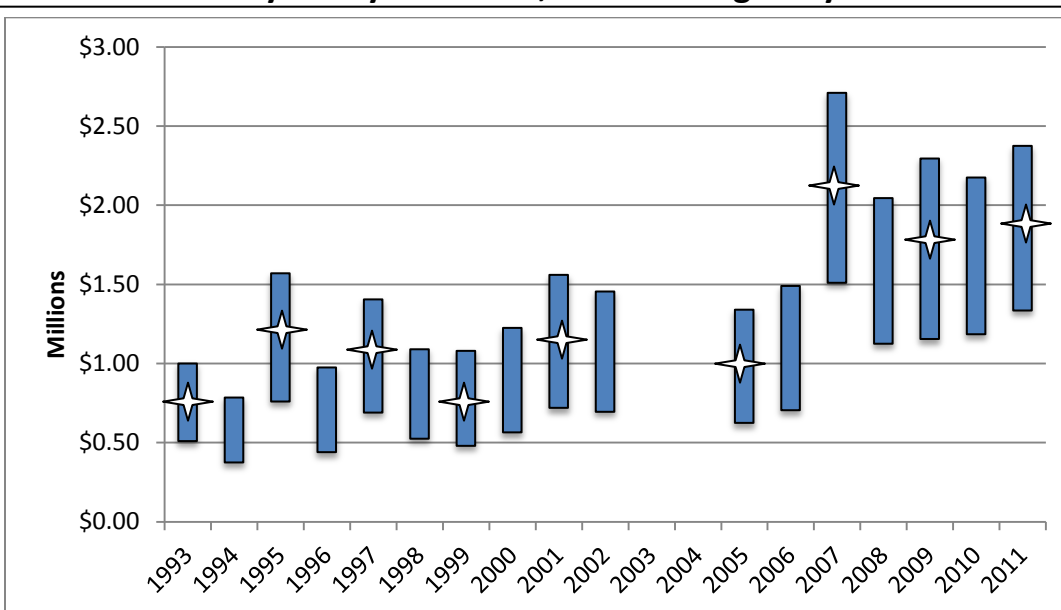
As chief of staff, Toomey also authorized the Perry-Appointed Texas Lottery Commission to hire a Las Vegas law firm to draft slot-machine legislation in late 2003.<sup>62</sup> The following February Perry went on what was supposed to be a secretive Bahamas junket to discuss the school-funding crisis.<sup>63</sup> The Perry brain trust on that yacht included Perry campaign consultant Dave Carney, Washington anti-tax crank Grover Norquist and gubernatorial aides Deirdre Delisi, Mike Morrissey and Mike Toomey. When Perry convened a special legislative session to address Texas' ongoing school-funding crisis that April, he proposed legalizing—and taxing—slot machines at Indian reservations and race tracks.<sup>64</sup> Over the preceding four years racetrack and slots interests had contributed \$572,175 to Perry (who collected 41 percent of this gambling money on [one day](#) two months before he convened the special session). Anti-gambling activist Weston Ware told the *Texas Tribune* that Perry and Toomey both previously opposed expanding gambling but he thinks the lobby money infected them. "When [Perry] was really tempted, okay, the tempter was Toomey," Ware said.<sup>65</sup> Perry and Toomey failed to sell lawmakers on slot machines in 2004.

When Toomey returned to the lobby in 2005 some companies that the Governor's Office had helped out put him on retainer. His new gambling clients included slot-machine maker Multimedia Games, horse-track interest [Big City Capital](#) and Secretariat SPI (Perry endorsed Secretariat's idea for selling lottery tickets at gas pumps).<sup>66</sup> Toomey also signed beneficiaries of the new medical malpractice caps. They were the state's largest medical malpractice insurer, the Texas Medical Liability Trust, and Valley Baptist Health.<sup>67</sup>

## Top Toomey Clients, 1993 Through July 2011

Client	Min. Value of Contracts	Max. Value of Contracts	No. of Annual Toomey Contracts
Texans for Lawsuit Reform	\$620,000	\$1,200,000	16
CIGNA Corp.	\$520,000	\$1,050,000	14
AT&T Corp.	\$610,000	\$1,035,000	11
<a href="#">Green Mountain Energy</a>	\$550,000	\$920,000	11
TX Hotel & Lodging Assn.	\$425,000	\$850,000	17
Sam Houston Race Park	\$485,000	\$825,000	10
Philip Morris Companies	\$400,000	\$800,000	9
State Farm Insurance Co.	\$500,000	\$760,000	6
Liberty Mutual Insurance Co.	\$410,000	\$725,000	8
Associated Builders & Contractors	\$345,000	\$720,000	17
McGraw/Hill Companies	\$400,000	\$700,000	6
TX Assn. of Realtors	\$300,000	\$600,000	7
Harris Co. Commissioners Court	\$295,000	\$600,000	9
Hewlett-Packard Co.	\$275,000	\$550,000	8
Merck & Co.	\$235,000	\$510,000	13
BearingPoint	\$275,000	\$460,000	5
Distilled Spirits Council	\$225,000	\$450,000	5
Affiliated Computer Services (ACS)	\$225,000	\$450,000	6
Rohm & Haas	\$190,000	\$425,000	13
Lower Colorado River Authority	\$200,000	\$400,000	8
Harris County	\$200,000	\$400,000	5
Am. Forest & Paper Products Assn.	\$185,000	\$385,000	9
Port of Houston Authority	\$180,000	\$375,000	6
Northeast Utilities	\$225,000	\$350,000	3
UnitedHealth Group	\$170,000	\$350,000	7
Lockheed Martin Corp.	\$160,000	\$325,000	5
Corrections Corp. of America	\$155,000	\$325,000	8
Brown Schools, Inc.	\$150,000	\$300,000	5
Merck Sharp & Dohme Corp	\$150,000	\$300,000	3
Southern Union Gas Co.	\$120,000	\$285,000	10
Natural Gas Group, Inc.	\$125,000	\$250,000	5
TX Instruments	\$125,000	\$250,000	5
Trinity Meadows Raceway	\$125,000	\$250,000	3
NIC, Inc.	\$150,000	\$250,000	2
TX Co. Cmty Mental Health (MHMR)	\$95,000	\$230,000	8
TX Medical Liability Trust	\$110,000	\$225,000	4
TX Bowling Centers Assn.	\$90,000	\$225,000	9
Steve Radack	\$100,000	\$200,000	2
Eastman Chemical Co.	\$85,000	\$200,000	7
Valley Baptist Health System	\$100,000	\$200,000	2
TX School Alliance	\$100,000	\$200,000	3
American Home Shield Corp.	\$100,000	\$200,000	2
TX Gas Service	\$90,000	\$200,000	6
Apple Computer	\$95,000	\$200,000	5

## Toomey Lobby Contracts, 1993 Through July 2011



★ Regular legislative session.

Year	Min. Value of Contracts	Max. Value of Contracts	No. of Contracts
1993	\$510,000	\$1,000,000	23
1994	\$375,000	\$785,000	16
1995	\$760,000	\$1,570,000	32
1996	\$440,000	\$975,000	27
1997	\$690,000	\$1,405,000	30
1998	\$525,000	\$1,090,000	26
1999	\$480,000	\$1,080,000	28
2000	\$565,000	\$1,225,000	28
2001	\$720,000	\$1,560,000	37
2002	\$695,000	\$1,455,000	29
'03-'04	<b>Perry Chief</b>	<b>of Staff</b>	<b>0</b>
2005	\$625,000	\$1,340,000	31
2006	\$705,000	\$1,490,000	32
2007	\$1,510,000	\$2,710,000	37
2008	\$1,125,000	\$2,045,000	30
2009	\$1,105,000	\$2,195,000	30
2010	\$1,185,000	\$2,175,000	26
*2011	\$1,335,000	\$2,375,000	27
<b>Totals:</b>	<b>\$13,350,000</b>	<b>\$26,475,000</b>	<b>489</b>

\*As of July 2011

### Let's Make A Deal

In 2005 Toomey represented SBC Communications (AKA Southwestern Bell). As Texas' No. 1 lobby client, SBC was used to having its way in Austin. Yet in 2005 lawmakers failed to pass a bill to deregulate local phone rates and to let SBC break into Texas' television market without having to pay the local franchise taxes that cable companies did. After legislators failed to deliver, Perry convened three special sessions that year. During the second one, lawmakers passed the SBC bill.<sup>68</sup> With SBC's 2005 merger with AT&T, the company's lobby clout passed to longtime Toomey client AT&T. In 2010 AT&T spent \$18,349 to buy 700 copies of Perry's book *Fed-Up*,<sup>69</sup> the governor recently urged the Federal Communications Commission to bless AT&T's proposed merger with T-Mobile.<sup>70</sup>

After Perry won reelection in 2006 with just 39 percent of the vote (Perry defeated Democrat Chris Bell and two significant independents), the governor found love in the corporate lobby, going into a deal-making frenzy (Toomey's lobby billings also spiked in 2007 as shown in the preceding graph). In the most famous case, Perry shocked the state by issuing an executive order in February to require pre-teen girls to get a new Merck vaccine against the sexually transmitted, cancer-causing HPV virus. Perry's failed attempt to do an end-run around the legislature stiff-armed the abstinence-only position popular with Perry's social conservative base (some of whom worry that the vaccine encourages promiscuity). The only thing that seemed to explain Perry's behavior was that he was helping longtime Merck lobbyist Mike Toomey.<sup>71</sup> Another leading Austin lobbyist, Bill Miller, told *Huffington Post*, "Absolutely, Mike convinced [Perry] on that."<sup>72</sup> After defending this mandate for years, Perry renounced it as a "mistake" when he started courting GOP presidential voters.<sup>73</sup>

In his State of the State address a week before the vaccination order, Perry told lawmakers that they could gross \$14 billion auctioning off the state lottery to Wall Street (days later he raised the price to \$20 billion). As a UBS executive, former U.S. Senator Phil Gramm pitched the idea to Perry's office.<sup>74</sup> A TPJ [study](#) of privatization proposals received by the Governor's Office found that the lottery's sales price fluctuated wildly depending on how aggressively the state agreed to expand lottery gaming. Gordon Graves, the ex-CEO of Toomey slot-machine client Multimedia Games, made the most aggressive pitch to the Governor's Office a year before he was indicted for operating hundreds of illegal gambling machines in Texas.<sup>75</sup> Graves, who has contributed \$114,502 to Perry's gubernatorial campaigns, urged

### Top Toomey Clients Underwriting Perry's Gubernatorial Campaigns

Amount to Perry (2001 – July 2011)	Toomey Client
\$1,120,000	Waste Control Specialists, LLC
\$663,540	AT&T Corp.
\$563,334	Ryan & Co.
\$413,000	TX Assn. of Realtors
\$347,500	Green Mountain Energy
\$320,818	SBC Communications, Inc.
\$244,926	United Services Auto. Assn. (USAA)
\$243,797	Linebarger Heard Goggan Blair...
\$239,233	Texans for School Choice
\$221,295	Texans for Lawsuit Reform
\$188,900	Associated General Contractors
\$159,336	TX Optometric Assn.
\$150,000	Affiliated Computer Services (ACS)
\$98,050	Bracewell & Patterson
\$97,000	Big City Capital, LLC
\$86,000	Sam Houston Race Park
\$60,000	Liberty Mutual Insurance Co.
\$59,550	TX Instruments
\$45,000	Verizon
\$40,500	UnitedHealth Group
\$32,950	Wells Fargo
\$28,500	Merck & Co.
\$27,500	Corrections Corp. of America
\$26,000	Lockheed Martin Corp.
\$25,000	Enron Corp.
\$24,000	Associated Builders & Contractors
\$22,000	Hewlett-Packard Co.
\$20,000	Aetna ING Financial Services
\$11,000	Eastman Chemical Co.
\$11,000	ING Financial Services
\$10,000	CIGNA Corp.
\$10,000	CitiFinancial Corp.
\$10,000	Home State Insurance Group

Perry aides to let a consortium of companies operate a slew of games on the state's behalf. Potential consortium members listed in Graves' proposal included Toomey client Sam Houston Race Park and an "Austin Race Track" that was trying to sell its track license to Toomey client [Big City Capital](#).<sup>76</sup>

Although skeptical lawmakers let this Perry privatization scheme die, Toomey's Sam Houston Race Park soon scored a big victory. Parent company Maxxam, which owned Sam Houston and a Harlingen track, wanted to build a third track in Laredo. Texas law limited investors to owning stakes in no more than two tracks until Perry signed a 2007 bill increasing the limit to three tracks. The only interests then seeking third tracks were Toomey's client (which gave Perry's gubernatorial campaigns \$86,000) and the beer-distributing LaMantia family (which has given Perry \$146,725).<sup>77</sup>

In 2007 Perry appointees on the Texas Health and Human Services Commission (HHSC) expanded a pilot program that paid HMO managed-care contractors to service elderly and disabled Medicaid clients. HHSC awarded contracts to four companies including a Toomey client: UnitedHealth's Evercare unit. Nursing homes and health care providers soon complained that Evercare refused to pay its bills on time.<sup>78</sup> Medicaid clients in some regions said Evercare saved money by simply not providing in-network doctors. HHSC fined Evercare a record \$645,890 in early 2008.<sup>79</sup> It was a small fraction of the \$1.5 billion in contracts that the agency has awarded to Evercare in recent years, according to the Texas Legislative Budget Board.<sup>80</sup> As a UnitedHealth lobbyist in the preceding 2005 session Toomey chewed out Perry Health and Human Services Executive Commissioner Albert Hawkins for moving too slowly to expand the HMO program. "Goddamit, Albert, I told you you should have rolled this out before the session," Toomey told Hawkins at the Capitol. Toomey and Hawkins said the lobbyist was "teasing."<sup>81</sup>

Longtime Toomey client Corrections Corp. of America is Texas' No. 1 prison contractor.<sup>82</sup> It also contracts with governments to provide health care to prisoners. Governor Perry's office pushed privatizing prison health care services in 2011 but the legislature did not embrace the scheme.<sup>83</sup> Toomey told *Mother Jones* magazine that he never promoted the plans to privatize prison health services.<sup>84</sup>

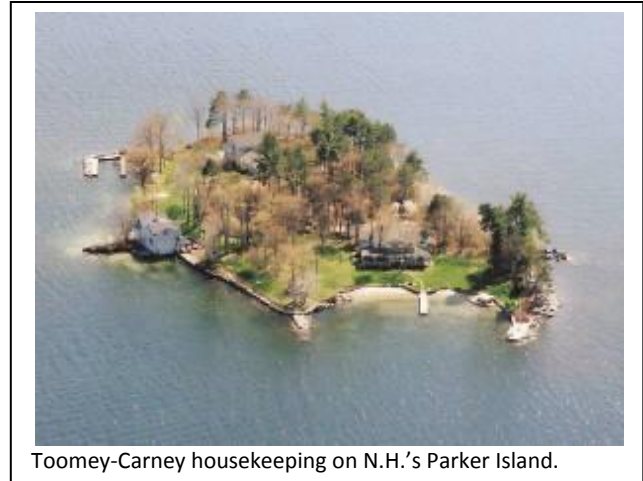
Governor Perry's Texas Commission on Environmental Quality appointees awarded Waste Control Specialists a monopoly franchise for a low-level nuclear waste dump in 2009.<sup>85</sup> Waste Control's original license just covered waste from Texas and Vermont. In 2011, the year Waste Control hired Toomey, a Perry-appointed majority of the Texas Low-Level Radioactive Waste Compact Commission voted to open the dump to 36 other states.<sup>86</sup> This made Waste Control head Harold Simmons, who gave more than \$1 million to Perry's gubernatorial campaigns, the owner of the nation's default low-level nuclear waste dump.

If Perry has been good to Toomey's clients, many of them also take good care of the governor. Governor Perry has collected \$5.5 million from 42 Toomey clients since 2001—or 5 percent of his \$103 million gubernatorial war chest.

### **Dark arts**

In Governor Perry's office and in the lobby Toomey continued to dabble in the political dark arts that he mastered in the 2002 elections. Moderate Republican Rep. Tommy Merritt said he met with Perry Chief of Staff Toomey in February 2004 to get Perry to endorse Merritt's primary reelection bid. A month earlier Merritt had lost a special election for a vacant Senate seat after Perry campaigned for another Republican and the Virginia-based Americans for Job Security (AJS) ambushed Merritt with attack ads. Perry political consultant Dave Carney started AJS in 1997 with \$1 million apiece in seed money from two Toomey clients (the American Insurance Association and the American Forest and Paper

Association).<sup>87</sup> Merritt said Toomey asked him to sign a pledge to back House Speaker Tom Craddick's reelection in January 2005 or else Toomey would "call the six richest people in Texas and take me out." By doing what Toomey said, Merritt said that he secured Perry's endorsement for the House race and Toomey even agreed to shield Merritt from AJS attacks this round.<sup>88</sup> Perry spokesman Robert Black denied any quid pro quo, telling the *Austin American-Statesman* that Merritt "asked for our endorsement, and he got it."<sup>89</sup>



Merritt's story suggests close collaboration between Toomey and Carney, which is not surprising given their mutual stakes in Perry. In November 2005 Toomey and Carney became domestic partners when they formed Parker Island, LLC and paid \$2.6 million for two homes on Parker Island in New Hampshire's Lake Winnepesaukee.<sup>90</sup> Subsequent Parker Island filings also list Carney's wife and his business partner James McKay as members. As a prelude to Perry entering the presidential race, McKay, Carney and Perry consultant Rob Johnson resigned from the Newt Gingrich's campaign in June 2011.<sup>91</sup>

Late in the 2006 primary Toomey again intervened to shore up Texas House Speaker Craddick. Toomey and John Colyandro, the indicted former executive director of DeLay's TRMPAC, revived a dormant PAC to move \$360,000 to seven Republican Craddick loyalists in the House. By reviving the old Texas Opportunity PAC rather than starting a new PAC the GOP operatives avoided having to disclose their controversial involvement in this venture until after the election.<sup>92</sup> Perry campaigned for most of the candidates backed by Toomey's PAC.<sup>93</sup> Using this Toomey trick in 2008, Craddick revived the Texas Jobs PAC to secretly move \$150,000 to three of his Democratic lieutenants who faced primary challengers.<sup>94</sup>

Toomey also orchestrated one of two GOP petition drives to put the Green Party on the 2010 Texas ballot. The GOP hoped that the Greens (which won just 0.4 percent of the gubernatorial vote) would win votes from Democratic challenger Bill White. After Democrats sued to knock the Greens off the ballot, Garrett Mize testified that he was recruited for the petition drive by the GOP consulting firm of ex-Perry communications director Eric Bearse.<sup>95</sup> Mize said Toomey used his own, personal checks to pay him \$2,000 a month for this work until Mize quit in disgust in April.<sup>96</sup> "I just got a call that a republican in texas wants to give us 40% of the cost of petitioning," Green Party of Texas Statewide Coordinator Kat Swift wrote in a March 2010 email that named the caller as Anthony Holm.<sup>97</sup> Holm is the spokesman for Houston homebuilder Bob Perry (the governor's top individual donor). Governor Perry's office employed Holm in 2002 and 2003.

Spending \$532,500, Missouri-based Take Initiative America did gather enough signatures to put the Greens on the ballot that year. A Democratic state judge struck the Green Party from the ballot in June 2010 after finding that Take Initiative funded this operation with illegal corporate funds.<sup>98</sup> The all-Republican Texas Supreme Court reversed that decision a week later.<sup>99</sup>

Toomey's Green gamut had precedent. To handicap Democrat John Kerry in 2004, Perry consultant Dave Carney worked to put Green Party candidate Ralph Nader on the ballot in New Hampshire. "If the Kerry people don't want Ralph Nader on the ballot," Carney told the *Dallas Morning News* in 2004, "Dave

Carney wants Ralph Nader on the ballot.”<sup>100</sup> Carney said that at the request of a group called Choices for America he paid more than two dozen workers to gather New Hampshire signatures. Republican operative Tim Mooney ran Choices for America, as well as Take Initiative America, which had bankrolled the Texas Green Party’s petitioning.<sup>101</sup> Moore also promoted a multi-state initiative in 2005 to require school districts to spend two-thirds of their money in the classroom. Governor Perry issued just such an order that year, which lawmakers repealed in 2009.<sup>102</sup>

Toomey helped form super PAC Make Us Great Again in 2011 to back Perry’s presidential campaign. Make Us Great Executive Director Scott Rials and PAC adviser Barry Bennett both have worked with Carney.<sup>103</sup> Also involved in Make Us Great Again is Dallas tax consultant Brint Ryan, a Toomey client and huge Perry donor. Super PACs can raise and spend unlimited amounts of individuals and corporate dollars to support a candidate so long as they do not coordinate their activities with a campaign.

Such an independence claim requires suspension of disbelief where Perry and Make Us Great Again are concerned. Perry and his ex-roommate Mike Toomey have been politically joined at the hip for 25 years. The “independent” Americans for Job Security (AJS) founded by their buddy Dave Carney appears to have a history of coordinating its attack ads with beneficiary political campaigns. Two GOP political operatives recently told the Center for Public Integrity that Carney had met with them when they were running campaigns. They said that Carney let them know that if big donors to their campaigns sent money to AJS then Carney’s group would spend the money to help elect their candidates.<sup>104</sup>

Carney’s AJS recently intervened in Texas to assist Perry. During the 2011 session, AJS ran radio ads promoting a “loser-pays” bill backed by Perry and Texans for Lawsuit Reform. That bill proposed dunning the losing party in a lawsuit for an opponent’s court costs.<sup>105</sup> Texas lawmakers neutered the legislation to the point where even Toomey’s nemesis, the Texas Trial Lawyers Association, did not object to it in its final form.<sup>106</sup>

*Politico* reported that an ad that the Perry campaign ran in November 2011 recycled footage that Make Us Great Again had used in a previous ad. This suggested possible coordination between the campaign and Toomey’s PAC. Perry spokesman Mark Miner told *Politico* that the campaign had taken the footage from an unspecified “public domain.”<sup>107</sup>

## Notes

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<sup>1</sup> "The Lobby Reinvents Government," *Texas Observer*, December 6, 2002.

<sup>2</sup> "Toomey the Enforcer," *Texas Monthly*, May 2003.

<sup>3</sup> "Texas Lobbyist Insists Friendship With Governor Doesn't Help Clients," *American-Statesman*, August 26, 2001.

<sup>4</sup> Toomey said Houston Industries (AKA Houston Lighting & Power) made the only business PAC contribution to his first campaign because he lived next door to its vice president of government affairs. (See "Texas Lobbyist Insists Friendship With Governor Doesn't Help Clients," *Austin American-Statesman*, August 26, 2001.) The top contributions to Toomey's reelection campaigns predominately came from business PACs, including that of Houston Industries. Houston Industries General Counsel Hugh Rice Kelly also served as general counsel to Texans for Lawsuit Reform. Kelly worked at the Bush-clan connected firm Baker & Botts before joining the utility in 1984.

<sup>5</sup> In a technology expenditure that early Toomey client Apple Computer would soon help make obsolete, Toomey's campaign spent \$1,003 to rent an IBM typewriter in 1983.

<sup>6</sup> "Texas Lobbyist Insists Friendship With Governor Doesn't Help Clients," *Austin American-Statesman*, August 26, 2001.

<sup>7</sup> "Texas Lobbyist Mike Toomey Is Force Behind Rick Perry," *Texas Tribune/New York Times*, October 15, 2011.

Williamson died in late 2007. Toomey's campaign disclosure reported paying \$1,425 in apartment rent during the first five months of 1987 to a Bryan Vance in Austin. The Perry campaign reported paying \$1,975 in apartment rent to James Wilson in Austin during the first five months of 1985.

<sup>8</sup> Toomey officially resigned effective January 6, 1988, according to the Legislative Reference Library. Bayoud and Karl Rove ran the 1986 Clements campaign that toppled Democratic Governor Bill White. On the eve of a Clements-White debate, Rove announced that he discovered an electronic bug inside Clements' campaign headquarters. Inconclusive FBI probes and a similar stunt during the first George W. Bush presidential campaign fed rumors that Rove planted the bug himself. See "Stark Rove-ing Mad," *Austin Chronicle*, September 29, 2000.

<sup>9</sup> "Bribery Law to Be Rewritten," *Houston Chronicle*, November 4, 1989.

<sup>10</sup> A Libertarian won 3 percent. Inspired by the likes of Pilgrim, Richards promoted overdue ethics reforms and the creation of the Texas Ethics Commission, appointing Bayoud as that commission's first chair. The legislature proposed the creation of the commission, which voters approved through a constitutional amendment in November 1991.

<sup>11</sup> A Libertarian won 3 percent.

<sup>12</sup> "Questions About Ad Dogged Perry in 1990 Race," *Texas Tribune*, October 15, 2011.

<sup>13</sup> "Don't Mess Around With Jim," *Time Magazine*, April 3, 1989.

<sup>14</sup> "Bush's Brain," James Moore and Wayne Slater, John Wiley & Sons, Inc., 2003. "[Examining Rick Perry's Environmental Record](#)," *Texas Observer*, September 6, 2011.

<sup>15</sup> Rohm & Haas introduce the livestock debugger Lethane in 1929 and the fruit anti-fungal Dithane in the 1940s. It sold most of its pesticide business to Dow Chemical in 2001.

<sup>16</sup> "Little Doubt That Toomey Has a Big Say," *Austin American-Statesman*, May, 13, 2004.

<sup>17</sup> The Ethics Commission required lobbyists to report their incomes for the first time.

<sup>18</sup> Investors included GM's Roger "and me" Smith and Henry "aphrodisiac" Kissinger. "In the Name of the Father," *Forbes*, October 8, 2001.

<sup>19</sup> "[Dal-Tile International, Inc. — Company History](#)," FundingUniverse.com. "The Texas 100," *Texas Monthly*, September 1992.

<sup>20</sup> Citizens, Inc.

<sup>21</sup> "Land Deals Profit Rick Perry Beyond His State Salary," *Dallas Morning News*, September 22, 2002.

<sup>22</sup> Timmerman gave Perry's gubernatorial campaign \$83,433.

<sup>23</sup> Toomey first became a Philip Morris lobbyist in 1995. TLR's founders are developer Dick Weekley, general contractor Leo Linbeck and liquor retailer Richard Trabulsi. For more on the founding fathers and their business interests see TPJ's "[Texans for Lawsuit Reform: How the Texas Tort Tycoons Spent Millions in the 2000 Elections](#)," November 2001. TLR paid Trabulsi to lobby for the group and Trabulsi put Toomey on a lobby retainer in 1995.

<sup>24</sup> Eighteen families supplied 45 percent of the \$1.5 million that TLR raised in the 1996 cycle. See TPJ's "[Tort Dodgers: Business Money Tip the Scales of Justice](#)," April 1997. In the 2000 cycle 24 donors accounted for 80 percent of the \$1.5 million TLR raised. See TPJ's "[Texans for Lawsuit Reform: How the Texas Tort Tycoons Spent](#)



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[Millions in the 2000 Elections](#), November 2001. TLR raised \$2.3 million for the 2010 primaries, with 23 donors supplying 73 percent. See TPJ's *Lobby Watch*, "[Texans for Lawsuit Reform Sustains Pricey Primary Hits](#)," March 5, 2010.

<sup>25</sup> See TPJ's "[Tort Dodgers: Business Money Tip the Scales of Justice](#)," April 1997.

<sup>26</sup> "Toomey the Enforcer," *Texas Monthly*, May 2003.

<sup>27</sup> "Bush's Brain," James Moore and Wayne Slater, John Wiley & Sons, Inc., 2003. Rove got a big break when Governor Bill Clements hired him to retire the \$7 million campaign debt he ran up in 1978. Rove did it through a direct-mail appeal to wealthy Republicans. Over the next two decades Rove and the direct mail shop he opened in 1981 could claim enormous credit for evicting Democrats from every statewide office in Texas.

<sup>28</sup> "[The Governor's Gusher: The Sources of George W. Bush's \\$41 Million Texas War Chest](#)," TPJ, January 2000.

<sup>29</sup> "Winning the White House in the 'Lawsuit Lottery,'" *Multinational Monitor*, March 2005.

<sup>30</sup> Richard Weekly gave Perry \$36,500. Leo Linbeck and Richard Trabulsi gave Perry \$1,000 apiece. Trabulsi made his contribution in December 1998—after he knew Perry won.

<sup>31</sup> HB 1862.

<sup>32</sup> "[Governor Perry's War Chest: Who Said 'Yes' To 'Governor No?'](#)" TPJ, October 2, 2002.

<sup>33</sup> Also lobbying against that bill was Toomey's future lobby partner, Lara Laneri Keel, who then worked for a Toomey ally: the Texas Association of Business.

<sup>34</sup> "Texas Lobbyist Insists Friendship With Governor Doesn't Help Clients," *Austin American-Statesman*, August 26, 2001.

<sup>35</sup> "[Dr. Issues Killer Post-Mortem On Perry's Prompt-Pay Veto](#)," TPJ's *Lobby Watch*, October 8, 2001. A link to Dr. Coppedge's letter appears at the end of this piece.

<sup>36</sup> "GOP Heavyweight Toomey Led Key Ad Effort," *Austin American-Statesman*, May 16, 2004.

<sup>37</sup> "Records Tied to Perry Aide Subpoenaed," *Dallas Morning News*, February 26, 2004.

<sup>38</sup> "[The K Street Effect Hits Texas](#)," TPJ, July 2006.

<sup>39</sup> "Million Dollar Man," *Austin Chronicle*, January 29, 1999.

<sup>40</sup> "Lobbyists Lining Up Behind New GOP Leadership," *Austin American-Statesman*, March 24, 2003.

<sup>41</sup> It hired Perry's former Health and Human Services Commissioner Don Gilbert and David Sibley, a former GOP senator whom Perry unsuccessfully promoted to be his successor as lieutenant governor.

<sup>42</sup> "GOP Heavyweight Toomey Led Key Ad Effort," *Austin American-Statesman*, May 16, 2004. "Lobbyist Added to Campaign Lawsuit," *Austin American-Statesman*, September 7, 2006.

<sup>43</sup> "Lobbyist Added to Campaign Lawsuit," *Austin American-Statesman*, September 7, 2006.

<sup>44</sup> "Texas' First Postmodern Lobbyist," *Texas Observer*, December 17, 2004.

<sup>45</sup> Williams previously served as general counsel to Senator Bill Ratliff.

<sup>46</sup> Keel was an aide to then State Senator Mike Moncrief. She married into a politically connected family. Her husband, John Keel, has served as state auditor and director of the Legislative Budget Board. John Keel's cousin Terry Keel was a Republican House member from 1997 to 2007. Speaker Tom Craddick appointed him as House parliamentarian from May 2007 to 2009, when the Texas Facilities Commission hired him as its executive director.

<sup>47</sup> "Austin lobbyist Toomey appointed to be Perry's chief of staff," *Dallas Morning News*, November 16, 2002.

<sup>48</sup> "A Boiling Pot, Full of Lobsters," *Texas Weekly*, November 17, 2002. Former Democratic Rep. Messer (who served in the House from 1979 through 1986) reported that 45 clients paid him up to \$2.1 million in 2003—double what he reported during the preceding legislative session.

<sup>49</sup> Toomey continued to lobby with Messer and Keel in 2011; Williams went solo in 2005.

<sup>50</sup> The rules define the black-out period as "a period of time that shall include a full regular session of the legislature, but not less than one calendar year."

<sup>51</sup> Governor Perry signed House Bill 3 into law on October 13, 2003.

<sup>52</sup> "Lines in the Sand: Congressional Redistricting in Texas and the Downfall of Tom DeLay," Steve Bickerstaff, University of Texas Press, 2007.

<sup>53</sup> TLR PAC got \$300,000 that cycle from Robert McNair and \$200,000 apiece from Bob Perry and Harlan Crow.

<sup>54</sup> "Rate of Exchange: What Might \$1.5 Million Get You in the Texas Legislature?" *Texas Observer*, March 11, 2004.

<sup>55</sup> "The Rise of the Machine," *Texas Observer*, August 29, 2003.

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- <sup>56</sup> This would have benefitted Texas' biggest lobby client, Southwestern Bell, which later merged with AT&T. See "The Rise of the Machine," *Texas Observer*, August 29, 2003.
- <sup>57</sup> Nursing home residents are among the hardest hit by caps limiting damages to the higher of \$250,000 or an individual's actual economic damages. Retired nursing home residents have no employment income that might drive damages above \$250,000.
- <sup>58</sup> Mariner Post Acute Network gave the party \$250,000; the Health Care & Retirement Corp. gave \$150,000.
- <sup>59</sup> "A Death in McAllen," *Texas Observer*, September 23, 2005. "Craddickism," *Texas Observer*, December 15, 2006.
- <sup>60</sup> "Rate of Exchange: What Might \$1.5 Million Get You in the Texas Legislature?" *Texas Observer*, March 11, 2004.
- <sup>61</sup> "Business Leader Changed Horses, Racetracks Say," *Dallas Morning News*, March 25, 2005.
- <sup>62</sup> "Toomey Lobbying for Industry He Once Touted," *Houston Chronicle*, January 13, 2005. Toomey authorized the contract, Perry-appointed Lottery Commissioner James Cox recommended the Vegas firm Lionel Sawyer and Collins and Assistant Attorney General Barry McBee signed the firm's outside counsel contract. McBee worked in the Governor's Office in 2001 before joining the Attorney General's Office. "Las Vegas Firm Hired to Draft Slot Rules," *Austin American-Statesman*, May 20, 2004.
- <sup>63</sup> The trip was outted by an anonymous blogger who reported seeing Perry, Grover Norquist and some other suits on a "54-foot pleasure craft" while he was fishing in the Abaca Islands. "Amateur Parparazzi," *Texas Weekly*, March 1, 2004.
- <sup>64</sup> "[Special Sessions for Special Interests](#)," Texans for Public Justice, April 2006. "Perry's Trip Is a Fond Memory—for his Foes," *Austin American-Statesman*, February 17, 2006.
- <sup>65</sup> "Texas Lobbyist Mike Toomey Is Force Behind Rick Perry," *Texas Tribune/New York Times*, October 15, 2011.
- <sup>66</sup> See "Sin Tax: Perry's School Plan Is an Embarrassment for Texas," *Houston Chronicle*, April 23, 2004.
- <sup>67</sup> Valley Baptist Health promoted the malpractice caps.
- <sup>68</sup> Senate Bill 5. "[Texas' No. 1 Special Interest, SBC, Completes a Very Special Session](#)," TPJ's *Lobby Watch*, August 18, 2005.
- <sup>69</sup> "AT&T Spends \$18,000 buying Rick Perry Book," *Dallas Morning News*, January 31, 2011.
- <sup>70</sup> "Rick Perry Takes AT&T's \$500,000, Then Asks Feds for 'Light' Regulation," *The Nation*, September 1, 2011.
- <sup>71</sup> "[Experts At a Loss To Explain How Governor Got HPV Bug](#)," TPJ's *Lobby Watch*, February 14, 2007.
- <sup>72</sup> "Rick Perry's Former Staffers Made Millions as Lobbyists," *Huffington Post*, September 16, 2011.
- <sup>73</sup> "Rick Perry Reverses Himself, Calls HPV Vaccine Mandate a 'Mistake'," *Washington Post*, August 16, 2011.
- <sup>74</sup> Republican Rep. Dennis Bonnen introduced the failed idea as House Bill 3973. UBS helped privatize the lotteries of two showcase states: Italy and Greece.
- <sup>75</sup> Graves pled guilty to a felony count of tampering with evidence, agreed to pay a \$10,000 fine and received two years of deferred adjudication. "8-Liner Case Ends With Guilty Pleas, No Prison Time," *Austin American-Statesman*, August 18, 2009.
- <sup>76</sup> Opposition in 2005 killed plans to build a track in the Austin suburb of Pflugerville. Investors then tried to sell their license to Big City. The Texas Racing Commission ultimately blocked that sale in 2009. See "[Speaker Straus' Other Horse Race](#)," *Texas Observer*, April 8, 2010.
- <sup>77</sup> "State Law Change Eases Race Track Ownership Rules," *Houston Chronicle*, January 21, 2008. Maxxam and CEO Charles Hurwitz supplied the \$86,000. The LaMantia money includes donations from daughter Val LaMantia Piesen.
- <sup>78</sup> "[Peddling Welfare-Privatization Boondoggles](#)," TPJ's Watch Your Assets, July 18, 2007.
- <sup>79</sup> "Is Texas Looking Out for You? Health-Care Outsourcing is Rolling On, But Many Patients Suffer from the Silent Treatment," *Dallas Morning News*, January 4, 2009.
- <sup>80</sup> Download the LBB spreadsheet at:  
[http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=20&ved=0CHIQFjAJOAo&url=http%3A%2F%2Fwww.lbb.state.tx.us%2FContracts%2FContracts\\_2010.xls&ei=l4e9Ttn8D4-A2AWZx82vBQ&usg=AFQjCNG7ZA7FIJAAHXcjLUpzMOLbAwWTPw](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=20&ved=0CHIQFjAJOAo&url=http%3A%2F%2Fwww.lbb.state.tx.us%2FContracts%2FContracts_2010.xls&ei=l4e9Ttn8D4-A2AWZx82vBQ&usg=AFQjCNG7ZA7FIJAAHXcjLUpzMOLbAwWTPw)
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- <sup>84</sup> “Flush With Prison Industry Dollars, Rick Perry Pushed Privatized Prisoner Care,” *Mother Jones*, September 1, 2011.
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- <sup>86</sup> “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.
- <sup>87</sup> “[The New Stealth PACs](#),” Public Citizen, September 20, 2004.
- <sup>88</sup> “Texas Lobbyist Mike Toomey Is Force Behind Rick Perry,” *Texas Tribune/New York Times*, October 15, 2011.
- <sup>89</sup> “GOP Lawmaker: Governor’s Aide Urged Pledge for House Speaker,” *Austin American-Statesman*, April 14, 2005. For more on the AJS attack ads against Merritt, see “Meet the Attack Dogs,” *Texas Observer*, March 12, 2004.
- <sup>90</sup> “Perry Aides’ \$3 Million Island Disappears From Web,” *Huffington Post*, October 25, 2011. “[Americans for Job Security: How a Shadow Group Hustles for Funds](#),” Center for Public Integrity, November 1, 2010.
- <sup>91</sup> “Gingrich Loses Key NH Aides,” *WMUR Political Scoop*, June 9, 2011.
- <sup>92</sup> Three Toomey-backed candidates lost the primary and Craddick fended off a mutiny in the 2007 session. “[Speaker Craddick’s Money Balked Instead of Talked](#),” *TPJ’s Lobby Watch*, July 9, 2007.
- <sup>93</sup> “Late Funds Altered House Races,” *Dallas Morning News*, March 10, 2006.
- <sup>94</sup> “Bipartisan Texas Jobs PAC Defends Speaker’s Job,” *TPJ’s Lobby Watch*, February 14, 2008. The Texas Ethics Commission fined Texas Jobs PAC \$10,000 in 2011 for obscuring the true source of the contributions to the three Democrats. One of them, former Rep. Kino Flores, was convicted of multiple political felonies in 2010. Another, Rep. Aaron Pena, formally became a Republican in 2010. The third, Kevin Bailey, lost the 2008 primary despite Craddick’s aid. “[Texas Jobs PAC’ Fined \\$10,000 in Scheme to Launder Money to ‘Craddick D’s](#),” *TPJ’s Lobby Watch*, April 28, 2011.
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- <sup>97</sup> “[Perry Campaign Consultant Named in Ballot Scandal](#),” Lone Star Project, July 6, 2010.
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