

News Release

Texans for Public Justice * 609 W. 18th Street, Suite E, * Austin, TX 78701 * tpj.org

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

Con Job: Report Finds Most Texas Enterprise Fund Grantees Failed to Deliver in 2010

(Austin) A new Texans for Public Justice report finds that most of Governor Rick Perry's Texas Enterprise Fund (TEF) projects failed to deliver on their 2010 job promises. The study analyzes compliance reports filed by 65 companies that received \$350 million to create Texas jobs in 2010.

"Governor Perry's jobs' stimulus program is a classic example of government waste, fraud and abuse," said Texans for Public Justice Director Craig McDonald. "The Enterprise Fund has an alarming rate of defaulting on the Governor's jobs promises."

A summary that Governor Perry's office published in August suggests that \$440 million in taxpayer TEF grants have created 59,600 Texas jobs. Perry claimed in an October presidential debate that TEF has produced 54,600 jobs. Putting aside five TEF projects that make fraudulent job claims and a sixth project that appears to be undergoing an audit, TPJ found evidence that TEF had created 22,349 jobs by the end of 2010. That number amounts to 37 percent of the job claims made by the Governor's Office.

Analyzing the 65 TEF projects, the new report found that:

- 24 projects (37 percent) failed to deliver on their original 2010 job promises;
- 17 projects (26 percent) complied with their 2010 job commitments;
- 11 failing projects were terminated prematurely (17 percent);
- 7 projects are troubled (11 percent), usually because they defaulted on 2010 job pledges but covered the shortfall with job credits earned by exceeding their job targets in past years;
- 5 projects (8 percent) fraudulently claim that they created more jobs than they actually did (this category includes most of TEF's largest grants); and
- One project claimed "new" jobs that had hiring dates *predating* its TEF contract.

The full report, [**Con Job: Most Enterprise Fund Grantees Failed to Deliver in 2010**](#), is available at Texans for Public Justice.

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