

# Texans For Public Justice

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For Immediate Release:  
Friday, January 30, 1998

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PR 98-006

## Caps Would Limit “Issue” PAC Money Laundering by Tycoons

**Austin:** Limiting campaign contributions to all political committees to \$1,000 would rein in ballooning problems with the “issue oriented PACs” that have become dominant players in Texas’ elections, a campaign spending analysis by Texans for Public Justice (TPJ) finds.

“A handful of the state’s wealthiest tycoons are laundering personal fortunes through so-called ‘issue’ PACs,” said TPJ director Craig McDonald. “Capping donations to these PACs would stop this corrupting practice and restore some balance to Texas elections.”

TPJ analyzed donations to the state’s four best-funded issue PACs—PACs that are not sponsored by a political party or a particular business, union or trade association. For the period studied, the four PACs (Texans for Lawsuit Reform, A-Plus PAC, 76 in ‘96 PAC, and the Associated Republicans of Texas PAC) raised a total of \$4,548,947. Of that total, \$3,608,093 or 79 percent, came in amounts greater than \$1,000. In fact, \$1.6 million, or 36% of the money raised by the four PAC’s came from just 12 wealthy families, two of which do not reside in Texas.

Under a hypothetical \$1,000 cap on PAC donations (equal to the federal cap on contributions to candidates), the four PACs lawfully would have raised \$1,362,000, or 30% of the amount that they actually raised.

“A handful of tycoons are trying to bend the government to their personal whims,” said McDonald. “There is too much special-interest money flowing from too few pockets. We need limits and fair play.”

TPJ is presenting its findings today at the first hearing of the House Elections and State Affairs Committee on Campaign Finance Reform. The joint committee was appointed by Speaker Laney to explore abuses in Texas’ elections and recommend reforms.

In its jointly produced report released earlier in the week, *Mortgaged House*, TPJ encouraged the legislature to enact three basic reforms:

- \* Limit the size of contributions to all PACs and candidates;
- \* Limit the amount of contributions candidates can receive from outside their district; and
- \* Provide comprehensive electronic disclosure posted on the World Wide Web.

(“Issue” PAC Chart Attached)

## Texas' Fattest "Issue" PACs

"Issue" PAC	Total \$ Raised	Value of Contributions Over \$1,000	% of \$ Above \$1,000 Cap	Permitted Amount With \$1,000 Cap	Permitted Amount as % of Total
Texans for Lawsuit Reform ('95 & '96)	\$ 1,590,089	\$ 1,232,000	77%	\$ 521,089	33%
Associated Republicans of Texas ('95 & '96)	\$ 1,144,312	\$ 778,252	68%	\$ 500,060	44%
Texans for Lawsuit Reform (1997)	\$ 642,384	\$ 504,084	78%	\$ 194,300	30%
A-Plus PAC ('95 & '96)	\$ 591,507	\$ 591,507	100%	\$ 7,000	1%
76 in `96 ('95 & '96)	\$ 580,655	\$ 502,250	86%	\$ 139,405	24%
<b>Totals</b>	<b>\$ 4,548,947</b>	<b>\$ 3,608,093</b>	<b>79%</b>	<b>\$ 1,361,854</b>	<b>30%</b>

## Texas' Top Soft-Money Tycoons

Tycoon Family of:	Company	Industry	Total Contributions to 4 Top "Issue" PACs
James Leininger	Kinetic Concepts	Hospital Beds	\$ 355,000
Robert McNair	Cogen Technologies	Power Generation	\$ 250,000
Richard Weekley	David Weekley Homes	Land Development	\$ 230,000
William McMinn	Sterling Group	Petrochemicals	\$ 182,895
John Walton*	Wal-Mart	Retail Sales	\$ 100,000
Robert Cone*	Graco; Conetex	Baby Products; Consulting	\$ 100,000
David Underwood	Lovett, Underwood	Stock Brokerage	\$ 83,500
Harlan Crow	Trammel Crow	Land Development	\$ 81,500
Harold Simmons	Contran, Valhi, etc.	Corporate Raiding	\$ 66,000
Kenneth Lay	Enron Corp.	Power Generation	\$ 62,500
Roy Huffington	Huffco Inc.	Oil & Gas	\$ 57,500
James Mansour	National Telecom.	Telecommunications	\$ 51,507
<b>Total</b>			<b>\$ 1,620,402</b>

\* John Walton resides in Arkansas; Robert Cone in Pennsylvania.