

LOBBY WATCH



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Mon Dieu! Terral Smith's Fingerprints?

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Ex-Governor's Point Man at Lege Mocks Bush-Perry Ethics Rules

- Just 4 months out of office, ex-governor's lobbyist can lobby for corporate welfare!

Flaunting huge holes in the ethics policies of his old boss, **Terral Smith** leapt from being ex-Governor Bush's top legislative lobbyist to being a for-hire lobbyist who reportedly is fighting for millions of dollars in corporate welfare.

Smith is just the latest gubernatorial legislative director to have a *ménage à trois* with a governor and the lobby.

Locke Liddell & Sapp announced last December 19th that Governor Bush's legislative director would head its lobby shop. Legislative aides say Smith lobbies for a controversial client that is not listed among the five *reported* clients that are paying him up to \$375,000.

Texas has paid \$16 million to French-owned **Sagem Morpho** for a fingerprinting contract to prevent food-stamp fraud. Critics say the program—which has helped prosecute just nine food-stamp cheats—is corporate welfare. The House has voted to repeal this program; Sagem is fighting a companion bill in the Senate Human Services Committee.

The latest lobby records just show ex-legislator **Hugo Berlanga** working for Sagem (for \$50,000 to \$100,000), while Capitol rumor mills report that Smith and **Kathy Hutto** also are hustling for Sagem.

Ethical loopholes

Though revolving-door scandals are common in Texas, Smith's case showcases the extraordinary failures of the staff ethics rules that Governors Bush and Perry both adopted with fanfare. Bush first adopted his staff ethics policy in response to a scandal involving Smith's predecessor.

As Bush's 1995 legislative director, **Dan Shelley** helped pass a law privatizing welfare services. By 1997, Shelley and three other welfare-reform aides of Bush and then-Lieutenant Governor Bob Bullock were lobbying for Lockheed Martin—a top contender to manage Texas' multi-billion-dollar welfare contract.

As discussed below, the Shelley-inspired ethics rules did nothing to stop Smith from going straight from the Governor's Office to head Locke Liddell's lobby shop.

Coincidentally, just days after Smith's job change, newly inaugurated Governor Rick Perry touted to the media his "strict" staff lobby rules, which turned out to be the old Bush rules.

Ironically, Perry used the same event to introduce nine senior staff members. Perry recruited one-third of them straight from the lobby—including Legislative Director, **Patricia Shipton** (see "New Governor Hires Hired Guns," *Lobby Watch*, January 5, 2001).

Bush and Perry's "strict" lobby rules did nothing to stop Terral Smith from becoming a for-hire legislative lobbyist as soon as he stopped lobbying that same body for the governor. Nor did they stop Shipton from being a hired gun one day and the governor's legislative director the next.

The rules just bar senior staff from lobbying the *Governor's Office* for one year or the next full legislative session, whichever is longer.

Under such "strict" lobby rules, the revolving door goes on forever—and the party never ends.

Lobbying By Recent Governors' Legislative Directors

Dan Shelley *Left Gov.'s Ofc. in 1996,* Reporting these Clients in 1997

1997 Client	Max. Value
Council of TX Forest Products Mfrs.	\$100,000
TX Coalition for Competitive Electricity	\$100,000
Harris County Commissioner's Court	\$100,000
Some Partnerships	\$100,000
Lockheed Martin IMS	\$50,000
Laidlaw Environmental Services, Inc.	\$50,000
MidTenn Development, Inc.	\$25,000
W O Brisben Companies	\$25,000
A. Wayne Hall	\$25,000
TX Hotel & Motel Assn.	\$25,000
City of Humble	\$25,000
National Realty Management, Inc.	\$10,000
Atascocita Joint Annexation Committee	\$10,000
Int'l Assn. Plumbing & Mechanical Ofcls	\$10,000
Southwestern Health Development Corp	\$10,000
O. Douglas Johnson	\$10,000
TOTAL:	\$675,000

Terral Smith *Left Gov.'s Ofc. in Dec. 2000,* Reporting These Clients in April 2001

Client	Max. Value
City of Garland	\$150,000
Gr. El Paso Chamber of Com.	\$100,000
Harlan Crow	\$50,000
UNICARE Life & Health Insurance	\$50,000
Locke Liddell & Sapp	\$25,000
	\$375,000

Patricia Shipton *Joined Gov.'s Ofc. In Dec. 2000,* At a Time When She Reported These Clients

Client	Max. Value
Nat'l Assn. of Independent Insurers	\$50,000
Oberthur Gaming Technologies	\$50,000
Temple-Inland Forest Products	\$50,000
Anheuser-Busch	\$25,000
BellSouth Cellular Corp.	\$25,000
Centene Corp. (Superior Healthplan)	\$25,000
DBT Online, Inc.	\$25,000
First Health Services	\$25,000
Health Insurance Assn. of America	\$25,000
Keating Technologies, Inc.	\$25,000
Lower Colorado River Authority	\$25,000
Pfizer, Inc.	\$25,000
TX Bankers Assn.	\$25,000
TX Civil Justice League	\$25,000
TX Probation Assn.	\$25,000
Car/Truck Renting/Leasing Assn.	\$10,000
Multistate Associates, Inc.	\$10,000
Singer Asset Finance Co.	\$10,000
Texas Merchandise Vending Assn.	\$10,000
TOTAL:	\$490,000