

LOBBY WATCH



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Almost \$3 Million In June & July!

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Big Bets Cast In Texas' GOP Elephant Fight

Donors Line Up As Strayhorn Battles Perry and Dewhurst For Money and Power.

As mapmaking pens—wielded like swords—clove a bipartisanship legislature in two, Texas' top GOP officials mustered their collective leadership to embrace one another—with steely knives.

Ostensibly, Comptroller Carole Keeton Strayhorn has spent the year clashing with Governor Rick Perry and Lieutenant Governor David Dewhurst over bean-counting disputes. But such theatrics fail to hide the fact that these politicians are less interested in cutting budgets than they are in cutting up each other—even when the next major statewide election is in late 2006!

As former Governor Bush is learning, wars are expensive. The hardest wars to finance are the internecine kind where opponents fight over the same pots of money. These three state politicians raked \$2,850,999 into their war chests just in the months of June and July. In fact, while Strayhorn was raising money in early June, Perry and Dewhurst had to wait for the gubernatorial-veto window to close on June 23 to restart their fundraising machines.

Governor Perry has kept these machines primed with repeated special sessions for redistricting. This has kept Perry and Dewhurst in the news as partisan warriors struggling to throw their base more red meat. These same sessions have challenged Strayhorn to find creative ways to thrust herself into the news—a task

made easier by the Governor Perry-backed special-session bill to strip away some Comptroller powers. Against this tawdry backdrop, *Lobby Watch* investigates which big donors exclusively backed Strayhorn in recent months at the expense of Perry or Dewhurst—and vice versa (ignoring contributions of less than \$1,000).

June and July Fundraising By Perry, Dewhurst & Strayhorn

Politician	Money Raised Since Regular Session Ended
Governor Perry	\$425,971
Lt. Governor Dewhurst	\$1,342,260
Comptroller Strayhorn	\$1,082,768
TOTAL:	\$2,850,999

Strayhorn

Comptroller Strayhorn raised almost \$1.1 million in June and July, more than twice what Governor Perry raised and not far behind indebted Lieutenant Governor Dewhurst. Her top Strayhorn-only donors include: Hard-right heavy weights James Leininger and Lonnie Pilgrim; Energy interests that may reflect her Railroad Commissioner years (Patrick Moran and Duer Wagner); and investment firm heads Geoffrey Raynor, Fayez Sarofim and Charles Miller. Strayhorn appointed UT System Regent Miller to head her “e-Texas” education task force. Now her enemies want to take Strayhorn’s e-Texas program away from her. Perhaps the most intriguing Strayhorn contribution is

the \$10,000 she received from the lobbyist brother of Texas redistricting kingpin Tom DeLay.

Top Strayhorn-Only Donors

Strayhorn-Only	Amount	Company/Interest	City
Kenneth Banks	\$25,000	International Muffler Co.	Schulenburg
Stanley Harper	\$25,000	Lenders & Members Service Group (auto loans)	Mansfield
James Leininger	\$25,000	KCI, Inc. (hi-tech hospital beds)	San Antonio
MAXXAM, Inc. PAC	\$25,000	MAXXAM (Charles Hurwitz, corporate takeovers)	Houston
William McMinn	\$25,000	Sterling Group (chemical company buyouts)	Houston
Lonnie Pilgrim	\$25,000	Pilgrim's Pride (poultry)	Pittsburg
Q PAC	\$25,000	Q Funding (Geoffrey Raynor's investment firm)	Fort Worth
Meredith Long	\$15,000	Meredith Long Galleries (art dealer)	Houston
Patrick J. Moran	\$15,000	Moran Resources (energy)	Houston
Fayez Sarofim	\$15,000	Fayez Sarofim & Co. (investments)	Houston
Ben Barnes	\$10,000	Entrecorp (lobbying)	Austin
Randolph Delay	\$10,000	Public/Private Strategies (lobbying)	Houston
James Elkins	\$10,000	Retired banker	Houston
Haynes & Boone	\$10,000	Corporate defense law firm	Dallas
John McGovern	\$10,000	Allergy clinics	Houston
Thomas Tourtellotte	\$10,000	Hance Scarborough et. Al (law/lobby firm)	Austin
J. Virgil Waggoner	\$10,000	Retired Vice Chair of Sterling Chemical	Spring
Duer Wagner	\$10,000	Duer Wagner & Co. (energy)	Fort Worth
Charles Miller	\$8,079	Meridian National Inc. (investments, UT Regent)	Houston
Harlan Hall	\$7,500	SALT Group (tax consulting)	Kerrville

Perry & Dewhurst

Lieutenant Governor Dewhurst led the fundraising blitz, taking in \$1.3 million in the five-week period that ended on July 28th. Yet he is hardly ahead of the game. Dewhurst's campaign reported a staggering \$13 million debt left over from his squeaker election in 2002. The campaign spent \$282,748 in the first half of the year just paying interest on these loans--which Dewhurst personally secured. Just to break even, this wealthy candidate must either raise frightening amounts of money or raid his personal piggy bank.

Being over the barrel can yield strange bedfellows. Dewhurst's top non-Strayhorn donors range from nuclear-waste king and tort warrior Harold Simmons to plaintiff firm Gallagher Lewis Downey & Kim (many more plaintiff lawyers surface in Dewhurst's second tier of donors).

Compared with Governor Perry, Dewhurst has raked in more non-Strayhorn money from GOP lions like

Simmons and the Wyly brothers. In contrast, Perry's top non-Strayhorn supporters come from a secondary tier of Texas donors. Perry also received no money from institutional donors such as PACs and businesses and his office says that he did not eschew such money. It is not clear if these differences arise because these interests actively favor Dewhurst over Perry or because Dewhurst's huge debts have prompted him to panhandle more aggressively.

To be sure, a core of partisans and pragmatists gave both to Strayhorn and to one of the men whose offices she covets. Risk-adverse Houston real estate magnate Ned Holmes gave to all three politicians.

These politicians are due to file additional campaign disclosures on September 25th, which will cover fundraising that occurred during this year's second special session of the legislature.

Top Non-Strayhorn Donors To Dewhurst

Non-Strayhorn Donor	Amount	Compan/Interest	City
Gallagher Lewis Downey...	\$50,000	Plaintiff law firm	Houston
Polan Culley Advocacy	\$50,000	Lobbyists	Austin
T. Boone Pickens	\$50,000	Mesa Water (water rights)	Dallas
Harold C. Simmons	\$50,000	Corporate takeovers, nuclear waste	Dallas
Kenny A. Troutt	\$50,000	Excel Communications	Dallas
Sam & Charles Wylly	\$50,000	Ranger Capital (corporate takeovers)	Dallas
Akin Gump Strauss Hauer...	\$25,000	Corporate law firm/lobbying	Austin
Alan Erwin	\$25,000	Lobbyist	Austin
Loeffler Jonas & Tuggey	\$25,000	Lobbyists	San Antonio
James D. Pitcock	\$25,000	Williams Brothers Construction	Sugar Land
Barkley J. Stuart	\$25,000	Glazer's (alcohol distributors)	Dallas
TX Assoc. of Realtors	\$25,000	TX Assoc. of Realtors	Austin
TX Farm Bureau	\$25,000	TX Farm Bureau	Waco
TX Medical Assoc.	\$25,000	TX Medical Assoc.	Austin
H. B. Zachry	\$25,000	Zachry Construction Corporation	San Antonio

Top Non-Strayhorn Donors To Perry

Non-Strayhorn Donor	Amount	Compan/Interest	City
Phil Adams	\$25,000	Phil Adams Co. (insurance)	Bryan
Moshe Azoulay	\$25,000	American Garment Finishers	Dallas
David Carter	\$25,000	Personal Way Transportation	Addison
Forrest Hogle	\$25,000	Ex-Enron Executive	
John McStay	\$25,000	McStay Investment Council	Dallas
Richard Salwen	\$25,000	Retired Dell Computer executive	Austin
L.E. Simmons	\$25,000	SCF Partners (investments)	Houston
Dian Stai	\$25,000	Retired Owen Healthcare (drugs)	Abilene
Mort Topfer	\$25,000	Dell Computer	Austin
Richard Wallrath	\$25,000	Champion Ranch	Centerville

Major Donors To Strayhorn and Perry or Dewhurst

Donor	Company/Interest	City	Strayhorn	Perry	Dewhurst
Bob Perry	Perry Homes	Houston	\$25,000		\$50,000
Louis A. Beecherl, Jr.	Beecherl Investments (oil)	Dallas	\$10,000		\$25,000
J. Dan Brown	Brown Distributing (alcohol)	Austin	\$1,000	\$25,000	
Charles C. Butt	H.E.B. groceries	San Antonio	\$25,000		\$25,000
Harlan Crow	Crow Holdings (real estate)	Dallas	\$25,000		\$25,000
James D. Dannenbaum	Dannenbaum Engineering (dams)	Houston	\$10,000	\$25,000	\$25,000
J. Ralph Ellis, Jr.	Ralph Ellis Co. (energy)	Irving	\$10,000	\$25,000	
Robert Girling	Girling Health Care	Austin	\$25,000		\$2,000
Ned Holmes	Parkway Investments (real estate)	Houston	\$5,000	\$25,000	\$10,000
Loeffler Jonas & Tuggey	Lobbying	San Antonio	\$25,000		\$25,000
Drayton McLane, Jr.	McLane Group, Wal-Mart, retail	Temple	\$25,000	\$25,000	
Vance C. Miller	Henry S. Miller Co's (real estate)	Dallas	\$1,000		\$25,000
Peter J. O'Donnell, Jr.	Retired banker	Dallas	\$10,000		\$25,000