

# Making Connections:

State Officials and Their Special-Interest Travel Agents



**Texans for Public Justice**  
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State Officials and Their Special-Interest Travel Agents**

- I. Summary**
- II. Introduction**
- III. Officials Traveling On Somebody Else's Dime**
- IV. Lobbyist-Reported Travel Gifts**
- V. Officeholder-Reported Travel Gifts**
- VI. Travel Destinations**
- VII. Travel Reforms**

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## I. Summary

- On 338 occasions from January 2005 through November 2006 private interests paid the travel costs of 81 sitting or soon-to-be elected Texas officials.
- Governor Rick Perry was the top recipient of these travel gifts, receiving 66 of them—or 18 percent of the total studied. Private interests reported spending \$205,460 on gubernatorial wanderlust. Three-fourths of this amount came from three wealthy businessmen: Flatonia sausage magnate Danny Janecka, El Paso refinery executive Paul Foster and Houston auto wholesaler Thomas Dan Friedkin. A trucking trade group also spent \$14,580 on a private jet to fly Perry's family to Los Angeles for the Rose Bowl.
- The next-largest recipients of travel gifts were Attorney General Greg Abbott, Agriculture Commissioner-turned-Comptroller Susan Combs and Senator-turned-Agriculture Commissioner Todd Staples.
- The top legislative recipients of travel gifts were Senator Kim Brimer (R-Fort Worth) and Representatives Kino Flores (D-Palmview) and Mike Krusee (R-Round Rock).
- Twenty-eight registered Texas lobbyists bankrolled 137 of the 338 travel gifts studied here. Two Associated General Contractors lobbyists accounted for almost half of all lobby-donated travel, sending dozens of officials to conferences at luxury hotels in Lake Tahoe, the Adirondacks and Padre Island.
- The lobby sent two state officials on international junkets. The Greater Austin Chamber of Commerce paid for the governor's economic development aide to visit South Korea. The Texas Council of Engineering Companies sent Rep. Kino Flores to a summer conference in Quebec.
- Private interests other than registered lobbyists paid for 201 of the 338 travel gifts and these travel gifts had a combined reported value of \$539,245. Amarillo-based American Housing Foundation President Steve Sterquell was the top donor outside of the formal lobby.
- Texas officials take many more junkets to cooler climates when temperatures back home get oppressively hot. Officials took 37 trips to high-altitude or northerly destinations that generally boast milder summer climates than does Texas. Eighty-six percent of these trips to cooler climates occurred during the four months when Austin's average high exceeds 85 degrees.

## II. Introduction

Texas state officials are major travelers. They barnstorm the campaign trail, host campaign fundraisers, convene hearings, commute between home districts and the capitol and attend conferences or junkets across the state, nation and globe. Officials traveling on official state business can use aircraft that the Texas Department of Transportation maintains exclusively for this purpose. From January 2005 through December 2006, officials took 1,574 flights on state-maintained aircraft at a taxpayer cost of \$1,019,237. Officials also finance hundreds of trips out of their general campaign funds. Finally, private special interests sometimes step forward to pay specific travel expenses for state candidates and officials.

This report analyzes travel gifts that special interests either gave to state candidates who were elected during the 2005-2006 election season or donated to sitting state officials who did not stand for election in 2006.<sup>1</sup> Most of the travel expenditures analyzed covered flights (with each leg of a round-trip journey usually reported as a separate expenditure). Yet the travel expenditures also include a smattering of hotel bills, cab fares, rental cars and reimbursements for miles driven in personal vehicles. For simplicity's sake, this report refers to these varied travel expenditures as "travel gifts" or "trip gifts." Researchers credited travel gifts benefiting an official's staff or family to the corresponding official. During the studied period, 67 high-level officials enjoyed 323 travel gifts. Lobbyists gave 15 additional travel gifts to 14 other officials employed by state agencies for a total of 338 travel gifts.

Texas long has had an inadequate system for disclosing the travel costs of candidates and officials. Candidates traditionally have reported travel gifts as in-kind contributions on regular campaign contribution reports. These reports included the dates, values and donors of in-kind travel contributions but rarely reported the purpose or destination of a trip. Trips that candidates financed out of their own campaign funds often suffered these same limitations. Other times politicians utterly obfuscated trips by paying for them with credit cards and then improperly reimbursing themselves from campaign funds without itemizing the underlying expenses.

New rules that the Texas Ethics Commission implemented in January 2006 require candidates to provide more detailed disclosures for all *out-of-state* trips that they finance directly through their campaign accounts or receive as in-kind campaign contributions.<sup>2</sup> Yet these new reporting rules do not apply to the travel gifts that registered lobbyists give to candidates or officials. Texas lobbyists report travel gifts separately in disclosures that identify the travelers and their destinations but few other details—including how much a lobbyist spent on the trip. House speaker campaigns follow still other filing rules. They provide a few details on in-kind travel contributions but provide minimal information on campaign-financed travel.<sup>3</sup>

The U.S. Congress has much stricter travel rules. Each time its members or their staff people return from a privately-funded trip they have 30 days to file a disclosure report. That report includes the travel dates, sponsors, purpose of the trip, destinations, estimates of the costs, names of the traveler and names of any accompanying family members (donors can only pay for one relative per trip). These federal reports must disclose cost subtotals for transportation, lodging, meals and other expenses. Federal lobbyists, lobby firms and foreign agents are prohibited from paying congressional travel expenses.

During its first month in January 2007, the new Democratic-controlled Congress tightened these rules further. New House rules: Prohibit any organization that employs lobbyists from paying for trips; Ban members from flying on private corporate jets; and Prohibit lobbyists from tagging along on any segment of congressional trips. The new House rules ban any gifts of any value from lobbyists and organizations that employ them. The Senate then overwhelmingly approved similar legislation, which is expected to be signed into law.<sup>4</sup> Nonetheless lawmakers of both

parties quickly figured out how to circumvent their own restrictions. They continue to invite lobbyists to join them at rock concerts, the Super Bowl, or expensive resorts. Rather than having lobbyists pay directly for these outings, the *New York Times* reported, lawmakers now direct lobbyists to make contributions to their campaign committees—which then use this money to pay for the lavish trips.<sup>5</sup>

### III. Officials Traveling on Somebody Else's Dime

Governor Rick Perry was the beneficiary of 66 travel gifts, accounting for 18 percent of all gifted travel during the period studied. Private interests reported spending \$205,460 on travel donated to the governor. Three-fourths of this amount came from just three jet-set businessmen who collectively gave the governor more than \$150,000 worth of air time.

**TABLE CORRECTION:** An early version of this report counted travel expenditures for three officials who were reimbursed by the state. Since these were not "travel gifts" they should not have been included in this report. The affected officials were Land Commissioner Jerry Patterson and Reps. Mike Krusee and Donna Howard. The numbers have been corrected here. TPJ regrets the error.

### Texas Officials Benefiting From Travel Gifts

No. of Travel Gifts	Official	Party	Office Held (Or Won) In 2006	Travel Gifts Reported By Lobbyists*	Travel Gifts Reported By Officeholders	Value of Officeholder-Reported Gifts*
66	Rick Perry	R	Governor	2	64	\$205,460
42	Greg Abbott	R	Attorney General	0	42	\$166,583
35	Susan Combs	R	Comptroller	2	33	\$87,788
13	Todd Staples	R	Agriculture Com.	4	9	\$20,968
11	Kino Flores	D	House-36	11	0	\$0
9	Kim Brimert†	R	Senate-10	9	0	\$0
8	Chuck Hopson	D	House-11	8	0	\$0
8	E. Ames Jones	R	Railroad Com.	2	6	\$13,899
8	Mike Krusee	R	House-52	7	1	\$176
7	John Whitmire	D	Senate-15	5	2	\$2,190
6	Tommy Williamst†	R	Senate-4	5	1	\$4,241
5	Ken Armbristert†	D	Senate-18	5	0	\$0
5	James Keffer	R	House-60	5	0	\$0
5	Phillip King	R	House-61	4	1	\$242
4	Kip Averitt	R	Senate-22	4	0	\$0
4	Bill Callegari	R	House-132	4	0	\$0
4	Warren Chisum	R	House-88	4	0	\$0
4	Tom Craddick	R	House-82	2	2	\$4,146
4	Wallace Jefferson	R	Supreme Court	0	4	\$900
4	Edmund Kuempel	R	House-44	4	0	\$0
4	Carlos Uresti	D	Senate-19	1	3	\$4,773
4	Michael Williams†	R	Railroad Com.	1	3	\$4,274
3	Valinda Bolton‡	D	House-47	0	3	\$3,135
3	Troy Fraser†	R	Senate-24	3	0	\$0
3	Larry Taylor	R	House-24	1	2	\$462
2	David Dewhurst	R	Lieutenant Governor	2	0	\$0
2	Rob Eissler	R	House-15	2	0	\$0
2	Juan Garcia	D	House-32	0	2	\$1,284
2	Susan King	R	House-71	0	2	\$820
2	Steve Ogden	R	Senate-5	2	0	\$0
2	John Otto	R	House-18	2	0	\$0
2	Eliot Shapleigh	D	Senate-29	0	2	\$525
2	Burt Solomons	R	House-65	1	1	\$510

2	Senfronia Thomson	D	House-141	2	0	\$0
2	Leticia Van DePutte	D	Senate-26	2	0	\$0
2	Allen Vaught	D	House-107	0	2	\$300
2	Don Willett	R	Supreme Court	0	2	\$2,016
1	Alma Allen	D	House-131	1	0	\$0
1	Dennis Bonnen	R	House-25	0	1	\$1,017
1	Betty Brown	R	House-4	0	1	\$200
1	John Carona†	R	Senate-16	1	0	\$0
1	Norma Chavez	D	House-76	0	1	\$4,200
1	Ellen Cohen‡	D	House-134	0	1	\$267
1	Frank Corte	R	House-122	1	0	\$0
1	Myra Crownover	R	House-64	0	1	\$457
1	Dianne Delisi	R	House-55	0	1	\$1,246
1	Joe Deshotel	D	House-22	1	0	\$0
1	Dawanna Dukes	D	House-46	1	0	\$0
1	Pete Gallego	D	House-74	0	1	\$747
1	Patrick Haggerty	R	House-78	1	0	\$0
1	Mike Hamilton	R	House-19	1	0	\$0
1	Linda Harper-Brown	R	House-105	0	1	\$1,616
1	Joe Heflin	D	House-85	0	1	\$20
1	'Mike' Jackson†	R	Senate-11	1	0	\$0
1	Kyle Janek	R	Senate-17	1	0	\$0
1	David M. Medina	R	Supreme Court	0	1	\$256
1	Geanie Morrison	R	House-30	0	1	\$343
1	Joe Pickett	D	House-79	1	0	\$0
1	Paula Pierson‡	D	House-93	0	1	\$267
1	Robert Puente	D	House-119	1	0	\$0
1	Allan Ritter	D	House-21	1	0	\$0
1	Wayne Smith	R	House-128	1	0	\$0
1	David Swinford	R	House-87	0	1	\$1,667
1	Yvonne Toureilles	D	House-35	1	0	\$0
1	Kirk Watson	D	Senate-14	0	1	\$2,250
1	G.E. 'Buddy' West	R	House-81	1	0	\$0
1	Roger Williams†	R	Secretary of State	1	0	\$0
15	Lower-level officials†			15	0	\$0
<b>338</b>	<b>TOTALS</b>			<b>137</b>	<b>201</b>	<b>\$539,245</b>

\*Texas lobbyists do not report the itemized amount that they spend on each donated trip.

†This official did not face a 2006 election.

‡Annie's List, a political committee supporting the election of women candidates, reported three of the "travel gifts" above. These three expenditures of \$267 apiece sent three campaign workers to DC to be trained by a sister group, Emily's List. These three campaign aides then worked on the campaigns of Valinda Bolton, Ellen Cohen and Paula Pierson. Bolton separately reported two other in-kind travel gifts from Emily's List.

Perry's largest travel donor, Danny Janecka, is a Flatonia sausage magnate who helped University of Texas Heisman Trophy winner Earl Campbell rebuild his barbecue-food line after Campbell's 2001 bankruptcy. The following year Janecka, who gave the governor \$56,909 worth of travel, bought Austin-based vanilla maker Adams Extract Co.

When Governor Perry wanted to go on a January 2006 Department of Defense junket to see—and be seen seeing—troops in the Middle East, Janecka spent \$15,000 to get the governor to his

connecting flight in Washington. Photographed in military garb with the troops, the governor visited Afghanistan, Pakistan and Iraq and even scored a sleepover in a former Sadaam Hussein palace. Three months later a Janecka jet delivered Perry and four staff members to DC again, this time to solicit additional hurricane relief from the Senate Appropriations Committee.

Western Refining President Paul L. Foster is the governor's second-largest travel donor (\$56,638 in Perry travel donations) and ranks No. 8 among Perry's overall campaign contributors. Governor Perry has appointed this big donor to the Economic Development Corporation and the Higher Education Coordinating Board. Foster flew a five-member gubernatorial entourage to a fundraiser in Center, Texas in February 2006 and then shuttled them on to Washington to discuss border security issues with U.S. Homeland Security Secretary Michael Chertoff.

Houston Toyota wholesaler Thomas Dan Friedkin ranks No. 3 both in travel donations to Perry (\$39,175) and in overall contributions to the governor (\$215,760 from 2003 through 2006).<sup>6</sup> In March 2006 Friedkin flew a gubernatorial entourage to Memphis for a fundraiser and an address to the Southern Republican Leadership Conference. The five campaign and staff aides who accompanied the governor on this trip were the largest travel entourage encountered in this study. These aides included Chief of Staff Deirdre Delisi, campaign consultant Ted Delisi, campaign spokesman Robert Black and travel aides Matt Brannon and Scott Smith.

The Texas Motor Transportation Association also paid \$14,580 to fly Governor Perry, his wife and their two adult children on a private jet to Los Angeles to see the University of Texas win the Rose Bowl in January 2006. "Let's face it," the trucking trade group's president, Bill Webb, told the *Dallas Morning News*, "if you have a way to help the sitting governor get somewhere he wants to be and to help our industry get where it needs to be, to me it becomes a no-brainer."<sup>7</sup> "That's what lobbyists do," Webb added. "They advocate, and they try to gain access."

Besides watching the game, a gubernatorial spokesperson told the *News* that the governor also held a barbecue in Hollywood to try to persuade California businesses to relocate to Texas. This is significant, given that Texas Supreme Court Justice David Medina's campaign reported spending \$944 to send the justice and a companion to "attend [a] Gov. Perry event" in Los Angeles during the Rose Bowl.<sup>8</sup> Justice Medina did not return calls left with the court and his campaign to clarify if he just attended the game or also helped the governor sell California companies on Texas' business-friendly judicial climate.<sup>9</sup> Medina served as Perry's general counsel before the governor appointed him to the high court.



#### IV. Lobbyist-Reported Travel Gifts

Federal lobbyists are barred from paying travel expenses for members of Congress or congressional employees. Yet lobby-funded travel is common in Texas, where 28 registered lobbyists reported making 137 of the 363 travel gifts covered in this report. These lobbyists typically report the date, nature, purpose and beneficiary of their travel gifts—but not the itemized dollar amount of these expenditures. Nonetheless, each lobbyist does report the aggregate amount that he or she spent on travel gifts and the total number of such expenditures. According to these figures lobbyists spent an average of \$941 per travel gift. This suggests that the 137 lobbyist travel gifts covered here were worth approximately \$129,000.

The Associated General Contractors of Texas accounted for almost half of all lobby travel gifts. The AGC made these travel gifts through its executive director and director of public affairs, Thomas Johnson and Jennifer Newton, respectively.

#### Registered Lobbyist Travel Donors

Lobbyist	No. of Travel Gifts	Top Client(s) in December 2005
Thomas L. Johnson	59	Associated General Contractors of TX
Robert Stagner	18	TX Council of Engineering Co's
Jennifer Newton	7	Associated General Contractors of TX
Parker McCollough	6	Entergy/Gulf States Inc.
Lindsay Sander	5	TX Pipeline Safety Coalition; Enbridge Energy Mgmt, Inc.
Gary Compton	4	Locke Liddell lobby firm (4 energy company clients)
Billy Howe	3	Texas Farm Bureau
Tom A. Jones	3	Southwestern Bell
M. Edward Lopez	3	Altria Corp. (and 7 other clients)
J. McCartt	3	HillCo Partners lobby firm (18 clients)
Laura McPartland Matz	3	Santos Alliances lobby firm (28 clients)
Steve Banta	2	Verizon Communications
Deece Eckstein	2	People For the American Way
Wendy Lary	2	Greater Houston Partnership
John M. Pike	2	TX Ambulatory Surgery Center Society; TX Orthopaedic Assoc.
Judy Ruth Roach	2	TX Self Insurance Assoc. (and 5 other clients)
Ned Ross	2	FPL Energy; Nat'l Evaluations Systems, Inc.
Yvonne Barton	1	TX Medical Assoc.; TX Chapter American College of Cardiology
Victor Boyer	1	San Antonio Mobility Coalition*
Brian Cassidy	1	Central TX Regional Mobility Auth.; TX Bldg Owners & Managers Assoc.
Sandra Hentges	1	Greater Austin Chamber of Commerce
Gaspar Laca	1	GlaxoSmithKline
Leslie Autry Midgley	1	Texas Land Title Association
Jennifer Patterson	1	McGinnis Lochridge lobby firm (ExxonMobil and 5 other clients)
Bill Pewitt	1	Accenture; TX Assoc. for Home Care Inc. (and 13 other clients)
Chuck Rice, Jr.	1	TX Land Developers Assoc.; CynoSure Developers (+ 11 other clients)
Raymond Sullivan	1	HNTB Corp. infrastructure construction (and 5 other clients)
Alice Tripp	1	Texas State Rifle Association
<b>TOTAL:</b>	<b>137</b>	

\*Contract registered in 2006.

The AGC sent eight legislators to its summer conferences in both 2005 and 2006. It convened the 2005 summit at the luxurious [Sagamore Resort](#) in the Adirondack Mountains. A year later the AGC met at the [Hyatt Regency Lake Tahoe Resort, Spa and Casino](#). Four lawmakers—who rank among the legislature’s top donated-trip recipients—went on both contractor junkets: Representatives Kino Flores (D-Palmview) and Chuck Hopson (D-Jacksonville), as well as Senators Kim Brimer (R-Fort Worth) and John Whitmire (D-Houston). Except for Senator Whitmire, all the lawmakers brought along their spouses on these junkets. The AGC bagged three out of nine members of the House Transportation Committee for its Adirondack getaway.<sup>10</sup>

In one of the best-timed junkets, Southwestern Bell lobbyist Tom Jones sent Senator Troy Fraser (R-Horseshoe Bay) and two of his staff members to a telecommunications conference in Las Vegas just three days before the start of the 2005 regular session. That same session, Fraser authored a sweeping telecommunications deregulation bill that contained major giveaways to Jones’ employer. Although Fraser’s bill died in the regular session, it passed months later in a special session ostensibly convened to fix Texas’ school-financing system. The bill deregulates local phone rates and lets phone companies enter television markets on preferential terms. Fraser and his staff stayed at the [Monte Carlo Resort and Casino](#) for two nights. They then flew home the day before the start of a busy legislative session.

House Transportation Committee Chair Mike Krusee (R-Round Rock) was another lobby favorite—especially for highway-contractor lobbyists. One lobbyist who paid Krusee’s travel bills is HillCo’s J. McCartt. His clients included Trans-Texas Corridor contractor Fluor Corp. and PBS&J—an engineering firm that has worked on several Texas toll road projects. McCartt flew Krusee to Washington in October 2005 to address a conference on public-private transportation ventures held by the American Road and Transportation Builders Association. Krusee stayed at the [Marriott’s Renaissance Hotel](#).

McCartt also flew Krusee to Las Vegas to deliver the keynote address at a PBS&J toll summit a week after the 2005 regular session ended. The following year federal prosecutors charged PBS&J’s former chief financial officer with running an embezzlement scheme to disguise the source of thousands of dollars in political contributions to U.S. Senator Mel Martinez (R-Florida). Around this time the Texas Department of Transportation blacklisted the firm for suspected overcharges stemming from the scandal. Yet the North Texas Tollway Authority awarded PBS&J a five-year contract to work on a joint project with TxDOT just three months later.

Representing the Central Texas Regional Mobility Authority (CTRMA), Locke Liddell lobbyist Brian Cassidy sent Krusee to New York City in December 2005 to attend an awards ceremony held by the *Bond Buyer* newspaper. The *Bond Buyer* gave CTRMA the Southwest region’s “Deal-of-the-Year” award for debt-financing a 12-mile stretch of toll road with \$238 million in bonds. Krusee authored the 2003 legislation that authorized CTRMA to issue such bonds.

Registered lobbyists also paid for 15 trips by 14 lower-level state agency officials. Here again, the Associated General Contractors of Texas was the travel agent of choice. It sent 10 such officials to its annual summer conference at the [Sheraton South Padre Island Resort](#) during the summers of 2005 and 2006.

AGC sent five Department of Transportation officials to its summer conference, with minority contract compliance director Dave Tovar attending two summers in a row. AGC sent three Texas Commission on Environmental Quality officials, including Commission Chair Kathleen White, to one of the Padre Island conferences. Texas Workforce Commissioner Ron Lehman also made the

Padre Island pilgrimage. As did Ed Serna of the Department of Information Resources and Jon Schnautz, a workers compensation official at the Department of Insurance.

Texas Ambulatory Surgery Center Society lobbyist John Pike sent two Department of Health Services officials to the society's 2005 conference at [San Antonio's Westin Riverwalk Hotel](#). Gerard Van de Weken, who manages the agency's architectural review group, hit the Riverwalk, as did health facilities and licensing official Cindy Bednar.

Robert Stagner of the Texas Council of Engineering Companies sent Texas Tax Reform Commission Staff Director Robert Howden to the council's 2005 conference at the [Boulders](#) hotel in Carefree, Arizona. Joining Howden on this junket were Senators Ken Armbrister (D-Victoria), Kim Brimer (R-Fort Worth) and John Whitmire (D-Houston), as well as Representatives John Otto (R-Dayton), Joe Pickett (D-El Paso) and Burt Solomons (R-Carrollton).

Finally, Texas Pipeline Safety Coalition lobbyist Lindsay Sander paid for Bowden Hight, a Texas Railroad Commission information technology specialist, to fly to Jacksonville in East Texas to tour pipeline expansion projects. Accompanying him was a spokesperson for Agricultural Commissioner Susan Combs, as well as staff members of Representatives Frank Corte (R-San Antonio), Yvonne Gonzalez Toureilles (D-Alice) and Buddy West (R-Odessa).

### **Other Officials Partying With the Contractors on Padre Island**

<b>Agency</b>	<b>Official</b>	<b>Title or Division</b>	<b>Year</b>
Department of Info. Resources	Ed Serna	Dir. of Service Delivery	2005
Department of Insurance	Jon Schnautz	Workers Comp Oversight Council	2005
Commission on Enviro. Quality	Kathleen White	Chair	2006
Commission on Enviro. Quality	Jayne Sadlier	Enforcement Liaison	2006
Commission on Enviro. Quality	Monica Harris	Small Business & Enviro. Assistance	2005
Workforce Commission	Ron Lehman	Commissioner	2005
Department of Transportation	Carol Davis	Motor Carrier Division director	2005
Department of Transportation	Efrem Casarez	Construction Division	2006
Department of Transportation	Dave Tovar	Contract Compliance Director	2006
Department of Transportation	Dave Tovar	Contract Compliance Director	2005
Department of Transportation	Brian Merrill	Engineer	2006

## V. Officeholder-Reported Travel Gifts

Apart from lobbyist-reported travel gifts, state officials themselves reported that a variety of private interests gave them 201 travel gifts worth a total of \$539,245. By now it should be clear that *everybody* who pays a politician's way cultivates access—regardless of whether or not he or she is a registered lobbyist. This report distinguishes between donated trips reported by registered lobbyists versus those reported by traveling officials because this distinction—however blurry—dictates which trip details get disclosed.

Attorney General Greg Abbott was the largest overall recipient of travel gifts after Governor Perry. Abbot's top donor was Dalton Lott (\$28,000 in travel gifts to Abbott), who heads Duncanville-based Club Marketing Services. Club Marketing does marketing for big-box retailers such as Wal-Mart and Costco. Lott has been a big investor in the renovation of Dallas Executive Airport, the headquarters of his Century Aviation Jet Center. Abbott's next largest travel patron is H. Gary Heavin (\$18,000 in travel to Abbott) the founder of women's fitness chain Curves International. An abortion opponent, Heavin is a big donor to crisis pregnancy centers in Texas.

Comptroller Susan Combs received \$87,788 worth of donated travel. Her top benefactor was Steve Sterquell (\$44,157 in travel to Combs and \$16,783 to Abbott). Sterquell was the top overall donor of recipient-reported travel. American Housing Foundation (AHF) is a big player in the lucrative market for low-income housing credits. Although it is a non-profit, AHF reported in its 2004 tax filings that it paid Sterquell \$252,000 that year.

Nonetheless AHF has failed to pay hundreds of thousands of dollars that it pledged to pay to local governments in Texas. When AHF received state financing to buy Dallas apartment complexes in 2002, the tax-exempt entity pledged to make substantial payments in lieu of taxes to help defray the costs it imposes on local governments. The *Dallas Morning News* reported in June 2006 that local governments failed to collect almost \$700,000 worth of these payments.<sup>11</sup> Sterquell said at the time that the governmental entities kept returning his checks. In a follow-up story several days later, however, the *News* reported that AHF now had paid off a quarter of its debt but that this had exhausted the escrow account established for these payments.<sup>12</sup> Noting that these housing projects have been in financial straits, Texas State Affordable Housing official Katherine Closmann said in early 2007 that it is unlikely that local governments ever will recover the almost \$500,000 still owed them by these AHF projects.

## Top Officeholder-Reported Travel Donors

Donor Name	Home	Company/Interest	Total Travel Spending	No. of Travel Gifts
Steve Sterquell	Amarillo	American Housing Foundation	\$60,940	12
Danny Janecka	Flatonia	J Bar B Foods; J&B Sausage	\$56,909	15
Paul Foster	El Paso	Western Refining Co.	\$56,638	19
Thomas Dan Friedkin	Houston	Friedkin Co's (auto dealer)	\$39,175	13
Dalton Lott	Duncanville	Club Marketing Services	\$29,160	5
H. Gary Heavin	Gatesville	Curves International, Inc.	\$18,000	4
Robert Schlegel	Dallas	Pavestone Co.	\$17,582	4
Ruben Martin	Kilgore	Martin Gas Sales, Inc.	\$17,495	5
James Leininger	San Antonio	Kinetic Concepts (hospital beds)	\$17,264	2
Chester Robert Upham	Mineral Wells	Upham Oil & Gas	\$16,575	10
TX Motor Transport. Assn.	Austin	Trucking trade group	\$14,580	8
John Needham	Austin	Riverside Resources (developer)	\$13,950	7
Larry Anders	Dallas	Summit Alliance Co's (insurer)	\$9,304	1
Landry's Restaurants PAC	Houston	Restaurants and casinos	\$9,217	4
Randall Goss	Dallas	U.S. RISK (insurer)	\$6,745	1
Assoc. General Contractors of TX	Austin	Builder trade group	\$6,431	3
Tom Stacy	Austin	T. Stacy & Associates (developer)	\$6,388	4
William Bloom	Dallas	Ritzmark LLC	\$6,044	2
Robert Tips	San Antonio	Mission Park Funeral Chapels	\$6,000	1
T. Boone Pickens	Dallas	BP Capital (energy investing)	\$5,348	2
Gary Walker	Plains	Lobbyist on groundwater issues	\$5,150	2
Blake Byram	Austin	Byram Industries (developer)	\$5,070	3
J. Robert Brown	El Paso	Desert Eagle Distributing (beer)	\$5,070	1
Gordon Graves	Austin	Graves Management (gambling)	\$5,000	1
A. Scott Noble	Dallas	Noble Royalties, Inc. (energy)	\$5,000	1
Larry Townes	Paris	Townes Telecommunications	\$4,947	1
Jack Hunt	Houston	King Ranch Inc.	\$4,890	2
JR Hurd	San Antonio	Hurd Enterprises (energy)	\$4,806	1
Physicians Network Association	Lubbock	Inmate healthcare	\$4,773	3
Associated Republicans of TX	Austin	Pro-business GOP PAC	\$4,724	1
David S. Zachry	San Antonio	Zachry Construction Corp.	\$4,554	1
Larry Durrett Campaign	Jacksonville	Lost 2006 GOP House bid	\$4,249	1
Rod Lewis	San Antonio	Lewis Energy Group	\$4,200	2
Republic of China (Taiwan)	Taipei	The <i>other</i> China	\$4,200	1
Dennis Bloom	Plano	AmeriPlan Corp.	\$4,000	1
Woody Hunt	El Paso	Hunt Corp. (construction)	\$3,905	2
Lance Byrd/N. David Porter	Dallas	Sendero Energy	\$3,762	2
Odis H. McClellan	Borger	O.H.M. Operating (energy)	\$3,658	1
Lonnie 'Bo' Pilgrim	Pittsburgh	Pilgrim's Pride Poultry	\$3,614	3

## VI. Travel Destinations

Two state officials took international trips compliments of the lobby. Texas Council of Engineering Companies lobbyist Robert Stagner sent Representative Kino Flores (D-Palmview) to Quebec in the summer of 2005 to attend his trade group’s annual public affairs conference. Stagner put Flores up in the sumptuous [Fairmont Tremblant Hotel](#).

The Greater Austin Chamber of Commerce sent the governor’s top economic development aide, Jeff Mosley, to South Korea in March 2005 to promote expansion of Korea-based Samsung’s Central Texas chip production. A year after Mosley unwound at the [Shilla Seoul Hotel](#), Governor Perry announced that his state-funded Texas Enterprise Fund would grant Samsung a \$10.3 million subsidy for a \$500 million expansion of its Austin computer chip plant. The governor’s 2006 press release said the grant “helped close the [expansion] deal.” Oddly, Samsung had first announced this expansion three years earlier in 2003—long before the governor’s announcement or Mosley’s junket.

### Out-of-State Destinations

Destination	No. of Donated Trips	No. Funded By The Lobby
Washington	18	4
Reno	18	15
Albany	11	11
San Diego	9	8
Phoenix	7	7
Memphis	5	0
Atlanta	4	3
Las Vegas	4	4
Los Angeles	4	0
Philadelphia	2	2
Denver	1	0
Juno Beach, FL	1	1
New York	1	1
Palm Beach	1	1
Santa Barbara	1	0
Trenton	1	1

Rep. Flores is not the only Texan who would like to escape the summer heat by traveling to the likes of Quebec. Texas officials took 37 out-of-state trips to destinations that would appeal to Texans seeking to avoid the summer heat. Researchers then determined how many of these trips occurred during the four “Texas summer” months when Austin’s average high temperature exceeds 85 degrees.<sup>13</sup> Thirty-two of the northerly trips (86 percent) took place during these four red-hot months, while just five of them (14 percent) occurred during the remaining eight “non-summer” months of the year. Clearly Texas officials plan their junkets wisely.

The aforementioned AGC summer conferences in the Adirondacks and at Lake Tahoe are good examples of dog-day junkets to cooler climates. Representative Burt Solomons (R-Carrollton) also beat the heat in August 2006 by attending a convention that the Texas Association of Life & Health Insurers thoughtfully held at the [Omni Interlocken](#). This resort is nestled in the Colorado Rockies at a refreshing 5,300 feet above sea level. On the day that Rep. Solomons arrived, Denver had a high of 88 degrees. While Denver was warm, Dallas had a high of 102 degrees the day Solomons left for the Rockies.

### Texas Destinations

Destination	No. of Donated Trips	No. Funded By The Lobby
Austin	27	6
Dallas-Fort Worth	15	15
Padre Island	12	12
Houston	8	8
San Antonio	7	7
Beaumont	6	6
Center	5	0
Jacksonville	5	5
Willis	4	4
Harlingen	3	3
Amarillo	2	2
McAllen	2	2
Grapevine	1	1
Lubbock	1	1
Mesquite	1	1
Midland	1	1
Victoria	1	1
Waco	1	1

Most of the top gifted-travel destinations within Texas are major metropolitan areas such as Dallas-Forth-Worth, Houston, San Antonio and Austin. These are popular spots for state business and campaign events. Padre Island was the top convention party spot—thanks to the AGC conferences discussed earlier.

## VII. Travel Reforms

Texas' crazy-quilt system for reporting travel expenditures that private interests donate to public officials is at once too lenient and too complex. It is not difficult to envision a simpler system that provides greater transparency and better protects the public interest in good government.

Following Congress' lead, Texas should ban lobbyists, lobby firms and their clients from giving *any* gifts of more than a nominal value to candidates, public officials or their staffs. Similarly, candidates, public officials and their staffs should be prohibited from flying on non-commercial aircraft furnished by outside private interests. Under such rules, Texas candidates, public officials and their staffs would limit their flights to commercial aircraft, state-maintained aircraft or their own personal aircraft.

The Texas Department of Transportation keeps records of flights on state-maintained aircraft that record the flight's purpose, cost and dates, as well as passenger names and arrival and departure cities. Recent Texas Ethics Commission rules require candidates and officials to report similar information when they travel *out of state* on other aircraft. This requirement should be extended to in-state travel and to House Speaker candidates.

Finally, although lobbyists, candidates and state officials file travel disclosures with the Texas Ethics Commission in an electronic format that easily can be posted on the Internet, the agency has not done so. As a result, the data are difficult for the public to access. Both the Texas Ethics Commission and the Texas Department of Transportation should collect travel data electronically and post it on the Internet.



## Endnotes

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<sup>1</sup> This *does not* include candidates or officials who were defeated in the 2006 election. The data analyzed here cover from January 2005 through the eve of the November 2006 election.

<sup>2</sup> Although the ostensible effective date of these rules was August 2005, the Ethics Commission did not implement them until January 2006.

<sup>3</sup> No speaker candidate committees reported any travel gifts during the period studied here.

<sup>4</sup> Senate Bill 1 passed the Senate on January 18, 2007 with only two dissenting votes from Senators Tom Coburn (R-OK) and Orrin Hatch (R-UT).

<sup>5</sup> "Congress Finds Ways Of Avoiding Lobbyist Limits," *New York Times*, February 11, 2007.

<sup>6</sup> Friedkin's Gulf States Toyota was a small corporate donor to Tom DeLay's indicted Texans for a Republican Majority PAC.

<sup>7</sup> "For Perry, big game means big business," *Dallas Morning News*, December 12, 2006.

<sup>8</sup> Justice Medina's companion was professional mediator Dwight Jefferson, a former state district judge and one-time co-captain of the U.T. football team.

<sup>9</sup> This trip does not otherwise appear in this report because it was financed by Medina's campaign rather than by a donor.

<sup>10</sup> Representatives Carter Casteel (R-New Braunfels), Kino Flores (D-Palmview) and Peggy Hamric (R-Houston). Casteel and Hamric otherwise are excluded from this report because they were defeated in 2006. The other members who attended one of these two junkets are Representatives Warren Chisum (R-Pampa), Jim Keffer (R-Eastland) and Ed Keumpel (R-Seguin), as well as Senators Ken Armbrister (D-Victoria) Representatives, Todd Staples (R-Palestine) and Tommy Williams (R-The Woodlands).

<sup>11</sup> "Payments in lieu of taxes were rebuffed," *Dallas Morning News*, June 4, 2006.

<sup>12</sup> "Apartments' owner repaying debt to county, schools," *Dallas Morning News*, June 7, 2006.

<sup>13</sup> June, July, August and September—according to averages reported over a recent 30-year period.