

# LOBBY WATCH

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Eye of the Storm:

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## Perry, HNTB Collect Windfalls From Hurricanes Dolly and Ike

- HNTB Gives \$335,000 to Republican Governors Group & \$57,000 to Perry Campaign.
- Before Pulling Plug, State Pays HNTB \$56 Million to Oversee Hurricane Relief.

“I really view my job and my advice as finding ways to help the state’s elected officials and the employers and associations that I work for succeed. I’ve never taken off my what’s-best-for-Texas hat.”  
—Revolving-Door HNTB Lobbyist Ray Sullivan in 2005<sup>1</sup>

The *Austin American-Statesman* reported how Governor Rick Perry’s administration awarded a disastrously lucrative contract to a Kansas City-based engineering firm to oversee relief efforts following the 2008 Hurricanes Dolly and Ike.<sup>2</sup> The state paid \$56 million to HNTB Corp., even as the U.S. Department of Housing and Urban Development complained that federal funds were going to administrators—not the Gulf Coast.

The *Statesman* reported that the scandal has familiar Perry administration hallmarks. HNTB gave generously to Perry’s campaign and the Perry-led Republican Governors Association. The company also hired revolving-door lobbyists with close Perry ties. This *Lobby Watch* takes a closer look at these money and influence trails, which are more extensive than the *Statesman* reported.

HNTB’s top Texas lobbyist was current Perry presidential campaign spokesman Ray Sullivan. Sullivan was a spokesperson for Perry’s office and campaigns going back to Perry’s lieutenant governor days. Sullivan was a top aide on Perry’s

gubernatorial payroll from 2001 until he joined Perry’s reelection campaign in April 2002.

When Sullivan hit the revolving-door in 2003, HNTB was one of the first of the 24 clients that would pay him between \$1.9 million and \$3.7 million over the next seven years. The up to \$850,000 that HNTB paid Sullivan before he became Perry’s chief of staff in July 2009 made the firm Sullivan’s No. 1 client.

### Ray Sullivan’s Top Clients

Client (2003 into 2009)	Max. Value of Contracts
HNTB Corp.	\$850,000
UBS AG	\$600,000
SBC Communications	\$500,000
Silver Eagle Distributors	\$300,000
EBAY, Inc.	\$250,000
Banc Pass Inc.	\$200,000
Redflex Traffic Systems	\$200,000
Exelon Power Texas	\$150,000
Fisher Scientific	\$150,000
Silver Eagle’s John Nau	\$125,000

## HNTB's Texas Lobbyists

The Texas Department of Transportation also paid \$109 million to HNTB, the *Statesman* reported, as the lead consultant for Perry's abandoned toll-road scheme, the Trans-Texas Corridor.

Texas Lobbyist	Min. Value of Contracts	Max. Value of Contracts	Annual Contracts	Contract Year(s)
Ray Sullivan	\$500,000	\$850,000	7	2003-2009
Robert F. Stout	\$250,000	\$500,000	7	2005-2011
Reggie Bashur	\$150,000	\$300,000	3	2009-2011
David H. Cain	\$25,000	\$50,000	1	2010
<b>TOTALS:</b>	<b>\$925,000</b>	<b>\$1,700,000</b>	<b>18</b>	



Hurricane Ike, September 2008.

After Perry's 2002 reelection, Sullivan formed the firm Bashur, Carney & Sullivan Political Consulting with two other Perry insiders.<sup>3</sup> They were Perry campaign strategist Dave Carney and Perry advisor Reggie Bashur, another one of HNTB's four Texas lobbyists.

Months later the *Houston Chronicle* reported that Sullivan landed a 2003 consulting gig with Accenture LLP, which was chasing a piece of Perry's disastrous plan to consolidate and privatize the state health and human services.<sup>4</sup> Sullivan did not register as an Accenture lobbyist, nor report the value of that contract, presumably because he classified that work as communications strategy—not lobbying.

The *Statesman* cited TPJ's recent [Crony Capitalism](#) report, which found that HNTB's PAC gave \$34,500 to Perry's campaign, while the company gave \$325,000 to the Republican Governor's

Association (RGA) from the time that Perry became active there in 2006. HNTB gave more money to the RGA before Perry became active there. TPJ's report did not track another \$22,500 that HNTB executives gave to Perry's gubernatorial campaigns. Their money brings the Perry campaign's total HNTB haul to \$57,000.

The HNTB executives backing Perry's gubernatorial campaign live all over the country, with few residing in Texas. Nonetheless, these executives heavily supported the Texas governor's political career. The accompanying tables itemizing HNTB's contributions reveal that the company made its largest contributions to both the RGA and to Perry's campaign in the two month period that followed the August 20, 2009 award of the hurricane-relief contract to HNTB. The Texas Department of Rural Affairs, which is run by Perry appointees, awarded that contract.

Ray Sullivan's wife, Leslie Sullivan, was Governor Perry's longtime political fundraiser before she began fundraising for the RGA in 2010. The *Dallas Morning News* calculated that while Perry has been governor the two Sullivans have taken home between \$4 million and \$5.7 from three sources: lobby clients, the Perry campaign and the gubernatorial payroll.<sup>5</sup> So both Sullivans likely played a role as the Perry administration awarded millions of dollars to HNTB and the HNTB steered hundreds of thousands of dollars back to Perry's campaign and the RGA.

## Major HNTB Donations To GOP Governors Assn.

Date	Amount
5/8/03	\$40,000
8/11/04	\$40,000
1/13/05	\$1,809
9/14/05	\$40,000
9/12/06	\$40,000
6/1/07	\$50,000
2/22/08	\$10,000
9/26/08	\$50,000
<b>8/20/09 HNTB Contract</b>	
9/1/09	\$65,000
8/13/10	\$35,000
8/30/10	\$55,000
10/18/10	\$5,000
6/28/11	\$25,000
<b>TOTAL:</b>	<b>\$456,809</b>

Shows Donations  $\geq$ \$1,000

## HNTB PAC and Executive Contributions To Rick Perry

Date	Amount	Contributor	HNTB Title	State
4/1/02		<b>Ray Sullivan leaves Gov. Perry's office.</b>		
12/11/02	\$500	Keith D. Rosbury	Senior Vice President	TX
2/11/03		<b>Ray Sullivan starts lobbying for his No. 1 client: HNTB.</b>		
5/13/04	\$500	Benjamin Biller	Vice President	TX
5/13/04	\$500	Gary Link	Sr. Vice President	KS
5/13/04	\$1,000	Keith D. Rosbury	Senior Vice President	TX
5/13/04	\$1,000	Scott Smith	Senior Vice President	KS
5/13/04	\$1,000	Paul & Anita Yarossi	President	NJ
5/20/04	\$1,000	Edward McSpedon	Dir. of Corp. Development	CA
10/26/04	\$1,000	Paul & Anita Yarossi	President	NJ
10/26/04	\$1,000	Harvey Hammond	Executive Chariman	WI
10/26/04	\$1,000	J. Lynn Hartford	West Division President	CA
10/26/04	\$1,000	Edward McSpedon	Dir. of Corp. Development	CA
10/26/04	\$1,000	Kevin McDonald	Fed' Services Corp. President	VA
9/26/05	\$1,000	Kenneth Graham	CEO	WI
10/14/05	\$1,000	Harvey Hammond	Executive Chariman	WI
11/9/005	\$500	Terry Campbell	Best Efforts	MO
11/9/05	\$500	Gary Link	Senior Vice President	KS
11/9/05	\$2,000	Scott Smith	Senior Vice President	KS
11/9/05	\$1,000	Richard Ridings	Vice President	TX
3/26/06		<b>Ray Sullivan, Reggie Bashur &amp; Dave Carney form BCS Consulting</b>		
9/27/06	\$2,000	Keith D. Rosbury	Senior Vice President	TX
11/2/06	\$1,500	Edward McSpedon	Dir. of Corp. Development	CA
11/2/06	\$1,500	Steven Routon	Senior VP of Construction	CA
10/10/07	\$4,000	HNTB PAC	PAC	MO
10/19/07	\$1,000	HNTB PAC	PAC	MO
7/23/08		<b>Hurricane Dolly strikes Texas.</b>		
9/13/08		<b>Hurricane Ike strikes Texas.</b>		
10/24/08	\$2,500	HNTB PAC	PAC	MO
6/25/09		<b>Ray Sullivan stops lobbying for HNTB.</b>		
7/1/09		<b>Ray Sullivan Becomes Perry's Chief of Staff.</b>		
8/20/09		<b>Perry Gives HNTB lucrative contract overseeing hurricane relief</b>		
9/25/09	\$5,000	HNTB PAC	PAC	MO
10/9/09	\$22,000	HNTB PAC	PAC	MO
10/9/09	\$1,000	Thomas O'Grady	Central Div. President	KS
<b>TOTAL:</b>	<b>\$57,000</b>			

### NOTES

<sup>1</sup> "Concerns Grow As Lobby Revolves," *Dallas Morning News*, February 17, 2005.

<sup>2</sup> "Oversight Spending Outpaces Aid Grants," *Austin American-Statesman*, October 4, 2011.

<sup>3</sup> "Three Campaign Veterans Form BCS Political Consulting," Bashur, Carney & Sullivan Political Consulting press release, March 26, 2003.

<sup>4</sup> "Former Perry Aide Among Contractors Seeking Overhaul Job," *Houston Chronicle*, November 9, 2003. See also "[Peddling Welfare-Privatization Boondoggles](#)," TPJ's Watch Your Assets, July 18, 2007.

<sup>5</sup> "Austin Couple Take Their Stong Perry Ties to the Bank," *Dallas Morning News*, August 20, 2010. Leslie Sullivan also has done fundraising for Perry rival Mitt Romney.