

LOBBY WATCH



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Pariah PACs:

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PAC Money That Even Politicians Won't Touch

Which Jilted PACs had the Most Rejected Contributions?

Money-hungry politicians reject or return negligible amounts of political funds. In the 2012 cycle, non-judicial candidates reported that they received almost 42,000 contributions worth more than \$78 million from institutional contributors such as PACs. During that period, PACs formally reported that recipients returned to them 640 checks worth almost \$779,000 (less than one percent of the money that they doled out).¹

Typically contributions are returned without a stated reason. Several officials returned contributions that they no longer needed *after* they voluntarily retired or voters rejected them.² Many more contributions appear to be returned to avoid appearances of impropriety.

Business PACs, which accounted for 56 percent of all Texas PAC expenditures, accounted for almost all the rejected contributions. By contrast, few Ideological or Labor PAC checks got returned. The table on the next page lists the 42 PACs that reported the most rejected campaign funds. These jilted PACs are clustered in industries that are controversial, heavily regulated or reliant upon government contracts.

A quarter of the most-rejected PACs listed below come from the Energy & Natural Resources sector. Waste Control Specialists (WCS), which runs a toxic and radioactive waste dump in West Texas, had the most toxic PAC.

The WCS PAC wasn't just toxic—it was illegal. In a 2013 Ethics Commission [complaint](#), TPJ documented that WCS PAC gave a total of \$65,000 to 18 Texas lawmakers in late 2011, when the PAC's sole funding came from WCS' billionaire owner: Harold Simmons. Texas PACs cannot lawfully make contributions until they get donations from at least 10 people. After the complaint, WCS PAC repossessed its illicit contributions, recruited nine more contributors, paid a [\\$6,450 fine](#) and started giving again to the same candidates—and then some.³

The top spurned power-company PACs were American Electric Power (AEP) and the near-bankrupt Energy Future Holdings Corp. (and its Oncor unit). Joe Straus, Susan Combs and Tommy Merritt returned the most cash to AEP. Byron Cook, Barry Smitherman and Ken Paxton snubbed the most EFH-related cash.

PACs with the Most Returned-Contribution Cash in 2012 Cycle

Total Amount	Jilted PAC	Check Count	Biggest Check Returner(s)
\$83,500	WCS (Waste Control Specialists) PAC	23	Hancock, Hinojosa, Seliger
\$49,500	American Electric Power	45	Straus, Combs, Merritt
\$36,000	United Services Auto. Assn. (USAA)	14	Straus, Uresti, Andrade
\$34,500	ConocoPhillips PAC	23	Straus
\$26,255	Cummings Electrical PAC	10	Returned money to PAC's contributors
\$23,456	Public Employees Pension PAC	4	Dallas Fire PAC, Dallas Police Ofcrs Assn
\$20,530	Winstead PC	13	Harris Co. Com. El Franco Lee
\$19,000	Atmos Energy Corp.	11	Straus, Anchia, Branch, Nelson
\$18,850	AT&T, Inc.	8	Geran, Seliger, Andrade, Sen. Lucio
\$17,750	KBR, Inc.	10	Quico Conseco
\$17,000	Gulf States Toyota, Inc.	34	Dewhurst, D. Bonnen, Watson, TX 2020
\$16,500	Centene Corp.	22	Zaffirini, Carona, Zerwas
\$16,500	Dow Chemical Co.	13	Straus, Hegar
\$16,016	Union Pacific Corp.	9	Ogden, Straus, Hancock
\$13,750	Oncor Electric Delivery Admin.	11	Cook, Paxton, Duncan, Hegar
\$13,550	Republic Services Inc.	20	Ellis, Fraser
\$12,750	Verizon Communications Inc.	19	Dewhurst, Fraser, Ogden, Goolsby
\$12,250	HNTB Holdings Ltd.	11	Local officials: Ed Emmett, Mike Rawlings
\$12,107	Friends of Ken King	1	Murphy Turner Associates, LLC
\$11,450	HDR, Inc.	19	Keep Houston Moving, Joe Jaworski
\$10,500	Houston Associated Gen'l Contractors	1	Corbin Van Arsdale
\$10,000	Texans for Kelly Hancock	1	WCS PAC
\$9,500	TX & SW Cattle Raisers Assn.	5	Smithee, Seliger, West
\$9,000	Apache Corp.	5	Chisum, Mike Conaway, Bill Flores
\$8,750	Lyondell Chemical Co.	6	Straus, Williams, Hilderbran, Gallegos
\$8,500	TX Assn. of Realtors	7	Jackson, Lozano, Krause, Ratliff
\$8,100	Assn. of Fire & Casualty Cos. of TX	1	TX Farm Bureau Casualty Insurance Co.
\$8,000	Triumph Group, Inc. (Vaught)	2	Silvestre Reyes, Rick Perry
\$7,750	BNSF Railway Co.	5	Assoc. Republicans of TX, Keffer
\$7,371	Energy Future Holdings Power PAC	6	Smitherman, Gene Green
\$6,750	Wells Fargo & Co.	7	Abbott, Carona
\$6,500	TX Land Title Assn.	6	Smithee, Patrick, J. Rodriguez, S. Carter
\$6,500	TX Medical Assn.	3	David Medina, Smithee, Madden
\$6,250	Bracewell & Giuliani	4	Annise Parker
\$6,000	Fulbright & Jaworski	9	Local officials in 5-way tie
\$6,000	Protect Our Water Rights TX	4	Mark Hastings, Robbie Zamora
\$6,000	UnitedHealth Group Inc.	9	Geran, Hilderbran, Shelton
\$5,500	Cash America International, Inc.	7	Carona, Ellis, Jackson, T. King
\$5,500	Compass Bancshares, Inc.	3	Wooley, V. Taylor, Truitt
\$5,000	Brown McCarroll	2	Gallego, Veasey
\$5,000	Medical Defense PAC	1	G. Bonnen
\$5,000	Trinity Industries, Inc.	1	Straus

ConocoPhillips, Atmos Energy and Apache Corp. led disrespected oil and gas companies. Speaker Joe Straus returned the most ConocoPhillips and Atmos money. Apache's biggest returns came from Congressman Mike

Conaway and Warren Chisum after he lost his Railroad Commission bid.

Dow Chemical and Lyondell ran the chemical PACs triggering the biggest negative reactions.

Speaker Straus also led these push backs. Straus returned more PAC money than any other politician. Many of the House members who returned the most cash were his hand-picked committee chairs.

Six Construction PACs reported major returns. Fort Worth's Cummings Electrical PAC (Ethics Commission No. 62003) returned a total of \$26,255 to its donors in 2011 prior to the second Cummings. The same donors then plowed their returned checks into an all-new "Cummings PAC" (No. 66942).

At a time when—Allah willing—U.S. military spending in the Middle East may peak, contracting giant KBR, Inc. got its biggest PAC pushback from Congressional candidates led by Quico Conseco. Multiple officials in the Houston area—where KBR does Metro contracting—also returned money to the PAC.⁴

The PAC of another Houston Metro contractor, engineering firm HNTB, reported its biggest returned checks from local officials led by Harris County Judge Ed Emmett, Dallas Mayor Mike Rawlings and Bexar County Commissioner Sergio 'Chico' Rodriguez.

HTNB notably did not report a rejection by Governor Rick Perry, who got \$6,000 from this PAC in 2012. In 2009 Ray Sullivan resigned as Texas' top HNTB lobbyist to become Governor Perry's chief of staff. Within two months, Perry's administration hired HNTB to oversee relief after Hurricanes Dolly and Ike. The federal government later [complained](#) that HNTB's administrative costs on this \$56 million contract cannibalized funds intended for relief.

A competing engineering firm, HDR, reported numerous returned checks from local, state and federal candidates. HDR has worked on the Houston Metro, the Port of Houston and on state highways. Its biggest returned PAC checks came from Keep Houston Moving Forward PAC (promoting Metro funding) and failed 2008 Senate candidate Joe Jaworski.

The Houston Associated General Contractors PAC reported that former Rep. Corbin Van

Arsdale sent back \$10,500. Van Arsdale did not reject contractors. The Associated General Contractors Building Branch hired Van Arsdale as its general counsel and [lobbyist](#) after GOP Primary voters retired him in 2008.

Four Insurance PACs reported major returns. State politicians returned \$36,000 to insurer USAA. Speaker Straus—an insurance executive himself—returned almost half of that money.

Centene Corp., a state managed-care contractor, reported its biggest returned checks from Senators Carona and Zaffirini and Rep. John Zerwas (the latter two served on 2012 health committees). Other politicians returned money to UnitedHealth PAC. The Employee Retirement System [hired this company](#) in 2012 to insure state employees. Reps. Charlie Geren, Harvey Hilderbran and failed Senate candidate Mark Shelton returned the biggest UnitedHealth checks. An insurance trade group also reported that the Texas Farm Bureau Casualty Insurance Co. returned \$8,100.

Politicians returned tens of thousands of dollars to four Transportation PACs, led by Gulf States Toyota. Lieutenant Governor David Dewhurst returned the most money to Gulf States. Retiring Senator Steve Ogden sent back the most money to Union Pacific's PAC. The Associated Republicans of Texas PAC returned money to BNSF Railway PAC.

The biggest returns to the aviation Triumph Group came from Congressman Silvestre Reyes, after he lost the 2012 Democratic Primary, and from Governor Perry. With a [strong stomach](#) for appearances of impropriety, Perry rarely returns PAC checks. His Texas Enterprise Fund awarded \$35 million in 2004 to Vought Aircraft. Triumph inherited this weak [development deal](#) when it bought Vought in 2010.

Local officials returned the most money to Lawyers & Lobbyist PACs. Harris County Commissioner El Franco Lee led returns to Winstead PAC. Houston Mayor Annise Parker returned the most to Bracewell & Giuliani. Officials in Dallas, Houston and San Antonio returned \$1,000 checks to Fulbright & Jaworski.

Politicians Returning the Most PAC Money in the 2012 Cycle

Total Amount	Check Count	Check Returner (Party)	Office	Won/ Lost	Source of Top Returned Check(s)
\$43,000	9	Straus, Joe (R)	Sp.	W	USAA, Atmos, Conoco, Lyondell, Trinity
\$19,500	5	Seliger, Kel G. (R)	S-31	W	WCS, AT&T, SW Cattle Raisers
\$15,600	16	+Keffer, James (R)	H-60	W	AEP, TX Electric Coops
\$12,000	2	Hancock, Kelly (R)	S-9	W	WCS, Union Pacific
\$12,000	3	Hinojosa, Juan "Chuy" (D)	S-20	W	WCS, Dow Chemical, EFH
\$11,750	7	+Geren, Charlie (R)	H-99	W	AT&T, WCS, AEP, UnitedHealth
\$10,500	4	+Cook, Byron (R)	H-8	W	WCS, Oncor, Centene
\$10,500	1	*Van Arsdale, Corbin (R)			Houston Assoc. Gen'l Contractors
\$10,500	3	Harris Co. Com. El Franco Lee		W	Winstead, KBR
\$8,000	4	Dewhurst, David (federal) (R)	Sen	PL	NRG Energy, Ace Cash, Galv. Pilots
\$7,500	2	Dewhurst, David (state) (R)	Lt Gov.		Gulf States Toyota, Verizon
\$7,500	5	Bonnen, Dennis (R)	H-25	W	ConocoPhillips, WCS
\$7,500	5	+Hunter, Todd (R)	H-32	W	ConocoPhillips, WCS
\$7,000	6	+Thompson, Senfronia (D)	H-141	W	USAA, AEP
\$6,500	3	+Smithee, John (R)	H-86	W	TX Land Title Assn, SW Cattle Raisers
\$6,500	2	*Ogden, Steve (R)	S-5		Union Pacific, Verizon
\$6,500	2	Houston Mayor Annise Parker		W	Bracewell & Giuliani, CH2MHill
\$6,500	3	Combs, Susan (R)	Comp.		ConocoPhillips, Southwest Air, AEP
\$6,300	6	Nelson, Jane (R)	S-12	W	Atmos, AEP
\$6,000	4	Uresti, Carlos (D)	S-19	W	USAA, Associa, ConocoPh., Dow Chem.
\$6,000	3	* Andrade, Esperanza (R)	SOS		AT&T, USAA, EFH
\$5,750	3	+*Hamilton, Mike (R)	H-19	PL	WCS, Deloitte, Lyondell
\$5,750	3	Lewis, Tryon (R)	H-81	W	WCS, El Paso Corp., TX Land Title Assn
\$5,500	2	Burkett, Cindy (R)	H-113	W	WCS, Coats Rose
\$5,500	6	Duncan, Robert L. (R)	S- 28	W	Oncor
\$5,500	2	Bonnen, James Gregory (R)	H-24	W	Medical Defense PAC, Parent PAC
\$5,251	6	*Margo, Donald "Dee" (R)	H-78	L	AT&T, Oncor, TX Construction Assn.
\$5,050	6	Veasey, Marc (D)	US H	W	Brown McCarroll, WCS
\$5,000	4	Eiland, Craig (D)	H-23	W	EFH, Winstead, AEP
\$5,000	1	*Medina, David (R)	SC	PL	Texas Medical Assn.
\$5,000	1	*Reyes, Silvestre (D)	US H	PL	Triumph Group (Vought)
\$5,000	6	Harless, Patricia (R)	H-126	W	AEP, Union Pacific, WCS
\$5,000	1	Harris Co. Judge Ed Emmett		W	HNTB
\$5,000	1	*Canseco, Quico (R)	US H	L	KBR
\$5,000	1	+Taylor, Larry (R)	S-11	W	WCS

+ = Straus-appointed House Chair in 2012 cycle.

* = Voluntarily or involuntarily retired official.

PL = Primary Loser

Wells Fargo boasted the most-rejected Financial PAC. Attorney General Greg Abbott and Senator John Carona returned the biggest Wells checks. Eight attorneys general, including Abbott, reached a 2010 [settlement](#) with Wells over deceptive mortgage marketing.⁵

Rep. Beverly Woolley returned the biggest check to Compass Bancshares PAC. Rep. Tracy King and Senators Carona, Rodney Ellis and

Mike Jackson returned the most money to predatory lender Cash America International.

Speaker Straus was Texas' [top recipient of predatory-loan cash](#) and the Straus House crushed even modest reforms for this industry in 2013. Although Straus returned more PAC money than any other politician, predatory-loan PACs did not report that Straus rejected their money.

Other Returned and Uncashed Checks (Reported on Ethics Schedule K)

Return Amount	Jilted PAC Contributor	Check Count	Top Check Returner(s)
\$11,550	Valero Energy Corp.	6	U.S. Sen. Scott Brown
\$10,000	HCA (Hospital Corp. of America)	1	David Dewhurst Com. (state) returned check
\$5,000	WCS (Waste Control Specialists)	1	"Undelivered" contrib. to Donna Campbell
\$5,000	STP (So. TX Nuclear Project)	1	Contrib. never rec'd by Nuclear Energy Instit.
\$5,000	Young Conservatives of TX	1	abetterlubbock.org returned check
\$1,500	John C. Otto Campaign	1	RickPerry.org returned check
\$1,500	Southwestern Research & Medical	2	Uncashed checks: Bob Deuell & Barbara Mallory
\$1,000	Nueces Co. Democratic Exec. Com.	1	Obama Victory Fund returned check
\$1,000	Barbara Ann Radnofsky Campaign	1	Aaron Pena check returned "as requested."

Nine committees (below) separately reported a smaller number of returned or uncashed contributions on the Ethics Commission's catch-all Schedule K.⁶ The Energy & Natural Resources sector again dominated these returns. Valero Energy, which has fought efforts to curtail carbon emissions in Washington and California, led the pack. Valero's biggest rejections came from U.S. Senator Scott Brown, Oklahoma congressional candidate John Sullivan and California state Senator [Sam Blakeslee](#).

The PACs of Waste Control and the South Texas Nuclear Project reported that Donna Campbell and a federal nuclear trade group never received \$5,000 contributions. David Dewhurst's state campaign returned \$10,000 to

Hospital Corp. of America's PAC. A PAC called "abetterlubbock.org" returned \$5,000 to the Young Conservatives of Texas. RickPerry.org returned \$1,500 to Rep. John Otto.

The Southwestern Research & Medical PAC, which played a role in the [Cancer Prevention and Research Institute of Texas scandal](#), reported that lawmakers Bob Deuell and Barbara Mallory Caraway did not cash its checks. The Nueces County Democratic Executive Committee reported that the Obama Victory Fund returned \$1,000. And the campaign of failed Democratic Attorney General candidate Barbara Ann Radnofsky reported recovering \$1,000 from Rep. Aaron Pena after his GOP conversion. •

Notes

¹ These returns were reported on the Ethics Commission's Schedule J, which general-purpose PACs are supposed to use to report returned contributions. Note that this dragnet does not pick up other checks returned to individuals or PACs (which may just be reported as *expenditures* by the committees returning the checks).

² The table on page 4 flags with asterisks eight officials who voluntarily retired or whom voters rejected. Four of these officials made all their returns *before* becoming lame ducks (Esperanza Andrade, Mike Hamilton, Silvestre Reyes and Quico Consecro). Three politicians made all their returns after becoming lame ducks (Corbin Van Arsdale, Steve Ogden and David Medina). Lastly, Dee Margo's returns occurred both before and after his November defeat.

³ Five lawmakers returned a total of \$18,500 to WCS PAC in 2012 that was not cited in TPJ's Ethics complaint. This includes \$5,000 apiece from Byron Cook, Tyron Lewis and Larry Taylor, \$2,500 from Ed Thompson and \$1,000 from Linda Harper-Brown.

⁴ El Franco Lee, Patricia Harless and Steve Radack returned \$500 apiece to KBR PAC.

⁵ Lenders that Wells later acquired engaged in the deceptive business practices.

⁶ Schedule K is supposed to be used by candidates and officeholders to report a committee's investment purchases, interest earned, other credits/gains and refunds.