

LOBBY WATCH



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Dems Get 20¢ On Dollar:

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More Lawmakers Hit Lobby; Democrats Work for Food

Five men who were the law in this town in 2010 now are billing lobby clients up to \$1.7 million. The group includes a Republican senator, as well as two House members from each party. *Lobby Watch* expected many more revolvers this year, after November voters elected 36 non-incumbents to the House. By comparison, voters elected 22 non-incumbents to the House in 2008—yielding 10 new revolvers.¹

Why did a major legislative turnover yield comparatively few new lobbyists? We'd like to think that the latest class of retired lawmakers holds itself to higher standards. Yet this seems unlikely in a graduating class that includes two convicted felons.²

Another explanation is that few new ex-lawmakers have much influence to peddle. Voters threw out so many Democrats in November that the House GOP can do as it pleases. This GOP supermajority

vaporized the market to lobby the 49 surviving House Democrats—just as 27 more Democrats spilled out of the House.

Against this brutal supply-and-demand curve even the former chair of the House Democratic Caucus might be fortunate to land a modest lobby gig.

The three GOP revolvers tracked here are averaged \$508,333 apiece—five times the average for the two new Democratic lobbyists. The lobby is now offering Democrats 20 cents on the dollar. Take it or leave it.

In a political science puzzler, the epicenter of Texas' revolving-door lobby has moved north of Austin towards Waco. Revolving-door historians call this the "Branch-Davidian Exodus" after its leader: messianic revolver David Sibley. The powerful Waco Republican resigned from the Senate in January 2002 to become a lobby legend.

2010 Lawmakers Spotted in the Lobby

Revolver Lobbyist	Home Away From the Lobby	Minimum Value of Contracts	Maximum Value of Contracts	No. of Contracts
Sen. Kip Averitt (R)	Waco	\$345,000	\$650,000	8
Rep. Carl H. Isett (R)	Lubbock	\$255,000	\$560,000	14
Rep. David Swinford (R)	Dumas	\$85,000	\$315,000	17
Rep. Mark S. Homer (D)	Paris	\$50,000	\$140,000	5
Rep. James Dunnam (D)	Waco	\$25,000	\$50,000	1
TOTALS:		\$760,000	\$1,715,000	45

Kip Averitt's 2011 Clients

Client	Min. Value of Contracts	Max. Value of Contracts
Scott & White Healthcare	\$100,000	\$150,000
America's Natural Gas Alliance	\$50,000	\$100,000
Coal. for Survival Charitable Bingo	\$50,000	\$100,000
Paschall Strategic Communications	\$50,000	\$100,000
TX Chiropractic Assn.	\$50,000	\$100,000
Big Creek Construction, Ltd.	\$25,000	\$50,000
American Traffic Solutions	\$10,000	\$25,000
Harris-Galveston Subsidence Dist.	\$10,000	\$25,000
TOTALS:	\$345,000	\$650,000

Sibley's top initial client was a shady auto insurer that paid him \$225,000 while under direct regulatory supervision. This was a remarkable feat since troubled Universal Insurance Exchange couldn't pay Sibley unless Texas Department of Insurance regulators signed his paychecks.³ We know no other case of a lobbyist having his checks signed by the regulators he's being paid to lobby.

Sibley's successor, Senator Kip Averitt, resigned his senate seat eight years after Sibley did. Having grossed up to \$15.6 million in the lobby, Sibley decided to win his old seat back.⁴ Sibley had a name and buckets of money but 2010 was not the year to explain to GOP voters why hired guns use campaign money to buy influence from Republicans and Democrats alike.⁵ Retired Army officer Brian Birdwell beat Sibley by 16 percentage points last June, pushing his opponent back into the lobby. There Sibley is joined by his successor Averitt as well as fellow defeated Wacoite, former Rep. Jim Dunnam (see below).

Critics say the revolving door destroys the public trust. In **Kip Averitt's** case it carries a troubling whiff of self-destruction. In resigning from office last year, Averitt said that his blood pressure and diabetes made him a "walking heart attack." Hopefully the eight clients paying Averitt up to

\$650,000 this year don't want much in return. Still, Averitt's top client, Temple-based Scott & White Healthcare, should monitor his vitals. Averitt also represents chiropractors, who are fighting turf wars with doctors to do more medical testing and diagnostics.

Averitt signed America's Natural Gas Alliance through consulting firm Paschall Strategic Communications. Major gas producers started the Alliance to prod Americans to burn more gas. The Alliance endorsed a pending Texas measure that would subsidize conversions from diesel to natural-gas-powered trucks.⁶

Texas' bingo-financed charities were prohibited from lobbying until late 2010 when a federal judge intervened.⁷ The Coalition for the Survival of Charitable Bingo immediately hired Averitt. (Those who bet that it also hired former Senator Dan Shelley and ex-Rep. Pat Haggerty have a bingo.)⁸ Bingo halls are pushing measures to let them operate slot machines.⁹ Averitt also represents TXDOT contractor Big Creek Construction and American Traffic Solutions. It sells traffic-light spy cameras that trigger citizen backlashes as they bankroll local governments.¹⁰

Carl Isett's 2011 Clients

Client	Min. Value of Contracts	Max. Value of Contracts
J.P. Morgan Chase & Co.	\$50,000	\$100,000
National PACE Assn. [elder care]	\$50,000	\$100,000
AT&T, Inc.	\$25,000	\$50,000
TX Boil Weevil Eradication Foundation	\$25,000	\$50,000
TX Council of Community MHMR Centers	\$25,000	\$50,000
CEV Multimedia, Ltd.	\$10,000	\$25,000
Hertz Corp.	\$10,000	\$25,000
Livingston Audiology & Hearing Aid Centers	\$10,000	\$25,000
Reflective Medical Information Systems	\$10,000	\$25,000
RSC Equipment Rental, Inc.	\$10,000	\$25,000
Sunbelt Rentals Inc.	\$10,000	\$25,000
TX Assn. of Benefit Administrators	\$10,000	\$25,000
United Rentals Inc.	\$10,000	\$25,000
TX Pyrotechnic Assn.	\$0	\$10,000
TOTALS:	\$255,000	\$560,000

The Texas Ethics Commission fined Lubbock Rep. **Carl Isett** \$6,400 in late 2008. The future revolver illegally used campaign funds to pay his wife \$36,000 for bookkeeping.¹¹ A year later Isett announced that he would not stand for reelection to focus on his Navy career. The *Lubbock Avalanche-Journal* reported that the naval officer began signing lobby clients shortly after he left the House in May 2010.¹² Isett reports 14 clients paying him up to \$560,000 this year.

Too-big-to-fail bank J.P. Morgan Chase and the National Programs of All-Inclusive Care for Elderly (PACE) are Isett's top clients. PACE has an interest in limiting draconian cuts in human services budgets, as does the Council of Community Mental Health and Livingston Audiology.

When Dumas Republican Rep. **David Swinford** left the House in mid 2009, he told the *Lubbock Avalanche-Journal* that he was considering a career as either a consultant or a lobbyist.¹³ This year Swinford made it official. He registered to take up to \$315,000 to lobby for 17 clients led by California's Pattern Energy, a windmill company.¹⁴ Swinford's other top clients are retail electricity giant Oncor and the North Plains Groundwater Conservation District. That client's 50-year "conservation" plan allows Panhandle property owners over part of the Ogallala Aquifer to consume up to 60 percent of the water beneath their feet.¹⁵

Democratic Rep. **Mark Homer** of Paris lost his seat to Republican challenger Erwin Cain by 15 percentage points last November. Homer so far reports that five

David Swinford's 2011 Clients

Client	Min. Value of Contracts	Max. Value of Contracts
Pattern Energy Group, LP	\$50,000	\$100,000
Oncor Electric Delivery Co., LLC	\$25,000	\$50,000
North Plains Groundwater Conservation Dist.	\$10,000	\$25,000
J&B Medical Supply Co.	\$0	\$10,000
Mentor ABI LLC (NeuroRestorative TX)	\$0	\$10,000
Epsilen, LLC	\$0	\$10,000
Consumer Healthcare Products Assn.	\$0	\$10,000
Centerstone Insur. & Fin'l Srvcs. (BenefitMall)	\$0	\$10,000
TX Transit Assn.	\$0	\$10,000
Sierra Systems	\$0	\$10,000
Tenaska, Inc.	\$0	\$10,000
TX Agricultural Aviation Assn.	\$0	\$10,000
TX Agricultural Cooperative Council	\$0	\$10,000
TX Assn.of Local Health Officials	\$0	\$10,000
TX Cattle Feeders Assn.	\$0	\$10,000
TX Grain & Feed Assn.	\$0	\$10,000
National Safety Commission, Inc.	\$0	\$10,000
TOTALS:	\$85,000	\$315,000

lobby clients are paying him up to \$140,000. The aforementioned America's Natural Gas Alliance accounts for most of Homer's lobby income.

GOP challenger Marva Beck became a symbol of last November's Republican sweep when she toppled Waco Rep. **Jim Dunnam**, the chair of the House Democratic Caucus. Dunnam resurfaced this March as senior fellow of newly formed non-profit Texas First Foundation.¹⁶ Dunnam reports a foundation lobby income of up to \$50,000.

The director of the new advocacy group is Dunnam confidant Jeff Rotkoff. He has worked for trial lawyer Steve Mostyn, the state's top funder of Democratic candidates and causes.¹⁷

Mark Homer's 2011 Clients

Client	Min. Value of Contracts	Max. Value of Contracts
America's Natural Gas Alliance	\$50,000	\$100,000
TX Bar & Nightclub Alliance	\$0	\$10,000
Roosters MGC (barbershops)	\$0	\$10,000
Cross Oak Group LLC	\$0	\$10,000
RPOA* TX Outreach	\$0	\$10,000
TOTALS:	\$50,000	\$140,000

*Responsible Pet Owners Alliance opposes "animal rights" activists.

Current members of the Texas Legislature would bar themselves from entering the lobby anytime soon in the unlikely event that they pass legislation introduced by two Republican lawmakers. Bills by Houston Senator Dan Patrick and Garland Rep. Angie Chen Button would require lawmakers exiting the legislature to await the adjournment of two regular legislative sessions before becoming paid lobbyists.¹⁸ Historically such reform bills have died slow, deliberate deaths in legislative committees dominated by lawmakers contemplating future career moves.

In other news, lobby powerhouse HillCo Partners hired a daughter of Texas' junior Senator last year. **Haley Cornyn** reports that 30 clients are paying her a total of up to \$300,000 so far this session. Most of her clients are health-care related. Haley Cornyn moved to HillCo from the Patriot Group, a GOP consulting firm.¹⁹

Haley Cornyn Clients

(Paying ≤\$10,000 Each, April 2011)
American Dental Partners, Inc.
Amgen, Inc.
Amylin Pharmaceuticals, Inc.
Astellas Pharma
Children's Hospital Assn. of TX
Convergys Corp.
Cook Children's Health Care System
CSHM, LLP
Daiichi Sankyo, Inc.
Dallas Co. Hospital District
Erickson Retirement Living
Health E Systems, LLC
Health Management Systems
Heart Hospital of Austin
Javelin Capital Partners
Matrix Healthcare Services Inc.
McKesson Corp.
Menninger Clinic
Molina Healthcare, Inc.
NorthgateArinso, Inc.
Novartis Pharmaceutical Corp.
Pharma. Research & Manufact. of Am.
Reckitt Benckiser Pharmaceuticals
Roche Diagnostics Corp.
Tenet Healthcare Corp.
TX Children's Hospital
TX Oncology, P.A.
Travis Co. Healthcare District
Travis Medical Sales Corp.
United Surgical Partners International

Notes

¹ "Ten New Lawmaker Retreads Merge Into the 2009 Lobby," *Lobby Watch*, May 20, 2009.

² In 2010 Democrat Terri Hodges pled guilty to not paying income taxes on bribes and Democrat "Kino" Flores was convicted of not disclosing income. Prosecutors dropped Medicaid-fraud charges against Democrat Tara Rios Ybarra.

³ "Master Stroke" *Texas Observer*, March 11, 2010.

⁴ "Sibley Asks Voters To Rehire A Hired Gun," *Lobby Watch*, April 6, 2010.

⁵ "Lobbyist Tries to Become a Lawmaker Again," *Austin American-Statesman*, June 16, 2010.

⁶ Sen. Tommy Williams' SB 20 and Rep. Mark Strama's HB 2938.

⁷ "Judge: Bingo Charities Can Lobby," *Austin American-Statesman*, November 11, 2010.

⁸ "Kip Averitt, Bingo Lobbyist," *Waco Tribune*, November 23, 2010.

⁹ "Video Terminals at Bingo Halls?" *Austin American-Statesman*, March 9, 2011.

¹⁰ "Firms Lobby to Keep the Cameras Rolling," *Dallas Morning News*, July 5, 2010.

¹¹ "Lubbock Lawmaker Fined \$6,400," Associated Press, November 22, 2008.

¹² "Former State Rep. Carl Isett Adds Part-Time Job to Navy Career," *Lubbock Avalanche-Journal*, August 14, 2010.

¹³ "Critics Assail Practice of Ex-Legislators Becoming Lobbyists," *Lubbock Avalanche-Journal*, September 15, 2010.

¹⁴ "Swinford Works as Lobbyist," *Lubbock Avalanche-Journal*, March 29, 2011.

¹⁵ "T. Boone's Oil & Water Law Don't Mix," TPJ's Watch Your Assets, July 12, 2010.

¹⁶ "Dunnam Re-Emerges with New Texas First Foundation," *Austin American-Statesman*, March 8, 2011.

¹⁷ "Former Democratic Caucus Head Jim Dunnam Returns," *Texas Tribune*, March 8, 2011.

¹⁸ S.B. 128 and H.B. 508.

¹⁹ "Patriots for Hire," *Texas Observer*, June 1, 2007.