

# LOBBY WATCH



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Golden Parachute:

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## Chairman Pitts Hits Lobby With \$500,000 War Chest

### Strip Clubs Stuff \$50,000 in an Appropriations Chair's G-String!

In a biennial rite of spring, four 2013-session House Members lobbied former colleagues this year on behalf of 19 clients for up to \$675,000. Half of this income goes to ex-House Appropriations Chair Jim R. Pitts, who entered the lobby armed with almost \$500,000 in leftover campaign funds.

Lawmakers recently killed reforms to restrict revolving-door lawmakers as well as their ability to dole out leftover campaign money to the ex-colleagues whom they lobby.<sup>1</sup> Lobbyists with a half-million-dollar political committee can command higher influence-peddling fees than those lacking a huge vat of grease. That's Econ 101. Pitts also can return the money to donors or give it to charity. In 2014 his campaign gave \$20,000 to new Rep. John Wray, and \$5,000 apiece to Reps. Angie Chen Button, Rep. John Raney and Sen. Lois Kolkhorst.

First elected in 1992, Waxahachie Republican

Jim Pitts headed one of the most powerful committees while his twin brother and his nephew lobbied the legislature. Twin [John Pitts](#) first registered to lobby in 1997, with [John Pitts, Jr.](#) registering in 2003. A day before Rep. Pitts left office in January he and his ex-committee director, [Amy Peterson](#), formed Pitts Peterson Consulting. It occupies the same [building](#) facing the Capitol as his brother's Texas Star Alliance.

Family lobbyists present lawmakers with an ethical tar baby that sticks even as they try to extricate themselves. John Pitts told the [New York Times](#) in 2013 that he made lobby clients sign contracts stipulating that he lobbied the entire legislature *except his brother*. In distancing himself from his close tie to the Appropriations chair, John Pitts advertised that very connection.

John Pitts also established the Pitts lobby brand years before his twin hit the revolving door.

### 2013 Legislators Working the 2015 Lobby

Reinvented House Member	Min. 2015 Income	Max. 2015 Income	No. of Clients	Campaign Cash 1/15
Jim R. Pitts (R)	\$155,000	\$335,000	9	\$493,991
Craig Eiland (D)	\$125,000	\$250,000	3	\$70,942
John Davis (R)	\$20,000	\$90,000	6	\$0
Lon Burnam (D)	<i>Pro bono</i>	<i>Pro bono</i>	1	\$0
<b>TOTALS</b>	<b>\$300,000</b>	<b>\$675,000</b>	<b>19</b>	<b>\$564,933</b>

This suggests a possible political science maxim for further research. According to the proposed **More's Law**, "Lawmakers whose family members lobby while they are in office can make *more* money *more* quickly when they themselves pass through the gilded revolving door."



Jim Pitts

Most of Jim Pitts's top new clients boast state-funding interests. Beacon Health and the Texas Hospital Association have Medicaid interests. The Texas Entertainment Association, which has been fighting a topless-bar tax, shares a postal box with the [Houston Men's Club](#). Raise Your Hand Texas opposes defunding public schools and the Texas State Technical College Foundation promotes state technical schools.

Ex-Democratic Rep. Craig Eiland vice chaired the House Insurance Committee during his last session in 2013 and sat on the powerful Calendars and Ways and Means committees. Three clients are paying Eiland up to \$250,000 this session. Leading the pack are AT&T, which has long ranked as this state's No. 1 lobby client, and the American Legal Finance Association. The latter trade group represents lenders that finance plaintiff lawsuits in exchange for a share of any legal awards. Anti-tort interests have sought to [restrict](#) these litigation loans. Eiland also represents Barbers Hill school district. That district near Houston pushed failed [2015 bills](#) for a new community college.

Republican ex-Rep. John Davis reports up to \$90,000 from six clients. Davis chaired the House Economic and Small Business Development Committee before lobbying for the Brownsville Economic Development Council and Midland Development Corp. His top clients are a health insurance trade group and KGR Residential, apparently run by Houston developers Ken and Gary Brinkley.

Davis also represents lobby firms [Longbow Partners](#) and Thomas Suehs & Associates. An ex-head of the scandal-prone Health and Human

### Jim Pitts Clients

Client	Max. Income
<a href="#">Beacon Health (ValueOptions)</a>	\$50,000
<a href="#">Raise Your Hand TX</a>	\$50,000
<a href="#">TX Entertainment Assn.</a>	\$50,000
<a href="#">TX Hospital Assn.</a>	\$50,000
<a href="#">TX State Tech. College Fdn.</a>	\$50,000
<a href="#">Computer Solutions, Inc.</a>	\$25,000
<a href="#">EduCo International, Inc.</a>	\$25,000
<a href="#">Friends of Susan Combs</a>	\$25,000
<a href="#">Pitts Peterson Consulting</a>	\$10,000
<b>TOTAL</b>	<b>\$335,000</b>

### Craig Eiland Clients

Client	Max. Income
<a href="#">Am. Legal Finance Assn.</a>	\$100,000
<a href="#">AT&amp;T, Inc.</a>	\$100,000
Barbers Hill ISD	\$50,000
<b>TOTAL</b>	<b>\$250,000</b>

### John Davis Clients

Client	Max. Income
KGR Residential, LLC	\$25,000
<a href="#">TX Assn. of Health Plans</a>	\$25,000
<a href="#">Brownsville EcoDev Council</a>	\$10,000
<a href="#">Longbow Partners</a>	\$10,000
<a href="#">Midland Development Corp.</a>	\$10,000
Thomas Suehs & Associates	\$10,000
<b>TOTAL</b>	<b>\$90,000</b>

### Lon Burnam Client

Client	Max. Income
<a href="#">Public Citizen</a>	\$0

Services, [Suehs](#) lobbies for John Pitts's Texas Star Alliance.

Ex-Democratic Rep. Lon Burnam lobbied *pro bono* on ethics issues for Public Citizen without registering as a lobbyist (state [lobby laws](#) apply to paid lobbyists). This rare lobbyist promoted a failed bill to make it illegal for lawmakers to immediately morph into hired guns. This may have made Burnam as popular in the lobby as he was in the House. The Quaker Burnam arguably would have been Texas' most powerful lawmaker *if the legislature operated by consensus*.

The Senate did not produce new revolvers this session. Nonetheless, during her 2014 gubernatorial run Sen. Wendy Davis came under increased scrutiny for her paid advocacy with [local government entities](#). Davis—who reports \$159,842 in leftover campaign funds—has not registered to lobby, unlike her partner at the Newby Davis Law Firm.

### Clients of Wendy Davis's Partner Brian Newby

Client	Max. Income
<a href="#">Cantey Hanger, LLP</a>	\$100,000
<a href="#">ACT, Inc.</a>	\$25,000
<a href="#">Tarrant Reg. Water Dist.</a>	\$25,000
<b>TOTAL</b>	<b>\$150,000</b>

Brian Newby worked for the Cantey Hanger firm before and after his stint as Governor Perry's chief of staff. Davis recently paid a [\\$5,000 fine](#) for failing to adequately disclose her business relationships with lobbyist Brian Newby and lobby firm Cantey Hanger. Newby currently lobbies for Cantey Hanger, the academic testing company ACT, and the Tarrant Regional Water District. The water district is pursuing a massive

[pipeline project](#) to tap water from Lake Palestine near Tyler.

Lobby watchers might have expected the legislature to produce a bigger crop of revolving-door lobbyists this year. The Texas Legislature boasts the nation's most [frenzied revolving door](#)<sup>2</sup> and 35 legislative seats changed derrieres since the preceding session.

A big factor limiting the legislative revolver rate to 11 percent (4÷35) was the breakup of the political logjam caused by Rick Perry's unprecedented 14-year gubernatorial stint. When Perry finally relinquished the Governor's Mansion herds of politicians pursued pent-up ambitions. This progression prompted a larger-than-normal exodus of lawmakers in pursuit of something other than lobby enrichment.

Senators Wendy Davis, Glenn Hegar, Dan Patrick, Ken Paxton and Leticia Van De Putte all pursued statewide offices in 2014 (with party labels dictating success rates). Upwardly mobile House members Lois Kolkhorst, Jose Menendez and Van Taylor took vacant Senate seats. Reps. Dan Branch and Harvey Hilderbran made failed bids for statewide offices. •

## Notes

<sup>1</sup> Provisions of failed [Senate Bill 19](#) would have barred lawmakers from entering the lobby for a session and barred revolvers from tapping their campaign funds for two years.

<sup>2</sup> Examining the revolving door in the 50 states in 2006, a Center for Public Integrity [study](#) uncovered a record 70 former Texas lawmakers working in the lobby. See also TPJ's 1999 "[Texas Revolvers](#)" report.