LOBBY WATCH

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Nominee's Firm Foundation: *October 19, 2005*

Miers' Locke Liddell Is an Activist In Texas' GOP, Corporate State

- **Firm contributed $467,637 in Texas in 2004—84 Percent to GOP.**
- **Its Lawyers and Lobbyists Contributed To Several State Political Scandals.**

Many of U.S. Supreme Court nominee Harriet Miers' personal views are unknown but her law firm of 28 years does have a track record. Locke Liddell & Sapp's campaign contributions, lobby clients and ties to political scandals mark this firm as a political activist that helped shape Texas' corporate, Republican state.

Miers was president of Locke Purnell Rain & Harrell when it merged in 1999 with Liddell Sapp Zivley Hill & LaBoon. She and Bruce LaBoon then served as co-managing partners of the new Locke Liddell & Sapp until President Bush appointed Miers as his assistant and staff secretary in 2001.

This nominee personally contributed to just three state candidates in recent years. She gave $22,960 to the second gubernatorial campaign of her current boss, whom she once reportedly called "the most brilliant man I have ever met."

Miers' Donations To Gov. Bush

Date	Amount
12/10/98	$2,000
09/24/98	$960
09/18/97	$10,000
09/5/95	$10,000
TOTAL:	**$22,960**

What the Hecht?

Miers also gave $6,397 to recent Texas Supreme Court races of a top champion of her nomination: former law partner and flame Nathan Hecht. Bush strategist Karl Rove previously advised the high-court campaigns of Hecht and Priscilla Owen.

At a time when Hecht is promoting Bush's nomination of Miers and when Owen is a Bush-appointed judge on the 5th U.S. Circuit Court of Appeals it is easy to forget that then-Governor Bush converted these Rove clients into an isolated, ultra-conservative voting bloc in the late 1990s. He did so by appointing more moderate Republicans to the Texas Supreme Court.[1]

Justices Hecht and Owen were by far the court's top dissenters from 1998 to 2002, with Hecht dissenting from the majority 86 times and Owen 66. Studies by Austin-based Texas Watch show that this couple achieved remarkable chemistry, voting together 100 percent of the time in the court's 2003-2004 term.

Miers' Donations To Justice Hecht

Date	Amount
02/19/00	$1,174
02/19/00	$1,000
10/11/94	$4,000
12/15/93	$223
TOTAL:	**$6,397**

Finally, Miers gave $1,000 to Republican Todd Staples in September 2000. Then-Rep. Staples was running for the only open seat in the Texas Senate, which his party controlled by a single seat. Staples won 61 percent of the vote after spending a remarkable $2.2 million.

Firm Republican

Locke Liddell is a much more aggressive political donor than Miers. The firm and its attorneys gave more than $1 million to Texas candidates and committees in the 2002 and 2004 election cycles, ranking No. 24 among Texas' top institutional donors in 2002.

After donations from old-guard partners Bruce LaBoon and Frank Liddell plummeted from 2002 to 2004, Houston Managing Partner Jeff Love became the firm's top 2004 giver. Love led ex-Chief Justice Tom Phillips' Houston fundraising and was an elite "Pioneer" fundraiser in both Bush-Cheney campaigns.

Locke Liddell gave 84 percent of its direct contributions in the 2004 cycle to Republicans; Democrats received 12 percent.

Tort warriors

The firm gave $15,000 to Republican-leaning Texans for Lawsuit Reform (TLR), the Locke Liddell lobby client that emerged as Texas' largest PAC in the 2004 cycle. In 2003 TLR's

Locke Liddell's State Contributions (2002 and 2004 Election Cycles)

Election Cycle	Firm & Attorneys	Firm Alone
2002	$615,664	$487,213
2004	$525,146	$467,637
TOTAL:	**$1,140,810**	**$954,850**

Direct Locke Liddell Firm Money Favored GOP in the 2004 Cycle

Recipient Party	Amount	Percent
Republican	$391,110	84%
Democratic	$55,027	12%
Other	$21,500	4%
TOTAL:	**$467,637**	**100%**

Top Recipients of the Locke Liddell Firm's Direct Contributions (2004 Cycle)

Recipient (Party)	Party	Office/Purpose	Amount
David Dewhurst	R	Lieutenant Governor	$64,000
Greg Abbott	R	Attorney General	$26,000
Rick Perry	R	Governor	$25,000
Tom Craddick	R	Speaker	$15,659
Scott A. Brister	R	Supreme Court	$15,000
Victor Carrillo	R	Supreme Court	$15,000
Carole Keeton Strayhorn	R	Comptroller	$15,000
Texans For Lawsuit Reform	NA	Curtailing civil lawsuits	$15,000
Michael Williams	R	Railroad Commission	$12,500
Mario V. Gallegos	D	Senate	$11,500
Paul Green	R	Supreme Court	$10,000
Charles R. Matthews	R	Railroad Commission	$10,000
Stars Over Texas	R	Supporting Speaker Craddick	$10,000
Susan Combs	R	Agriculture Commissioner	$7,500
Jerry E. Patterson	R	Land Commissioner	$7,500
Allan B. Ritter	D	House	$7,500
Kenneth Brimer	R	Senate	$6,425
*Elizabeth Lang-Miers	R	Court of Appeals	$5,000
Amos L. Mazzant	R	Court of Appeals	$5,000
David Medina	R	Supreme Court	$5,000
Harriet O'Neill	R	Supreme Court	$5,000
Texans for a Republican Majority	R	House GOP majority	$5,000
TX Republican Legislative Caucus	R	Supports GOP House members	$5,000

* Harriet Miers' sister-in-law is a state appeals court judge in Dallas.

lead outside counsel, Locke Liddell's Alan Waldrop, drafted a state bill that capped medical-malpractice damages. Texas voters then narrowly approved a state constitutional amendment that was proposed in the same bill. This amendment now authorizes lawmakers to cap damages in other civil lawsuits.

TLR has been a leading critic of attorney fees—particularly the contingency fees upon which plaintiff lawyers depend. In June 1995 this issue inspired Harriet Miers to take the unusual step of urging then-Governor Bush to veto legislation. The bill in question would have prohibited Texas' high court from limiting attorney fees. Miers' letter called the bill an "assault" on the separation of powers doctrine by "greedy, but immensely rich and powerful lawyers."

Criticizing Miers' letter as an endorsement of judicial activism, Mark Levin of the conservative Landmark Legal Foundation recently told the Associated Press, "Surely the notion cannot be that the branch that's most responsive to the public shouldn't take the lead in a matter like this." Apparently disagreeing, Governor Bush vetoed the bill.

During Texas' pivotal 2002 campaign, TLR coordinated efforts with the now-indicted Texas Association of Business and Texans for a Republican Majority (TRMPAC) to help the GOP takeover the Texas House.

Delay's PAC

Locke Liddell and its attorneys Bruce LaBoon and Walter Zivley gave $1,750 to Tom DeLay's TRMPAC in 2002. Locke Liddell gave $5,000 more in late 2003, making it the only law firm to support this PAC after it was accused of breaking Texas campaign laws. Partners Bruce LaBoon and Frank Liddell also gave $1,000 apiece to DeLay's legal defense fund.

Tom Craddick, who became Texas House speaker as a result of the 2002 GOP takeover, is a top beneficiary of Locke Liddell's 2004 contributions. The firm gave Craddick $15,659 directly and gave another $15,000 to PACs supporting his House reign.

Texas' high court

Locke Liddell also gave $15,000 in 2004 to Supreme Court Justice Scott Brister, who formed a voting bloc in the 2003-2004 term with hardliners Hecht and Owen.

The Texas Supreme Court has been plagued by scandal for decades because its justices take huge amounts of campaign money from Locke Liddell and other interests with business before this court. This scandal has persisted without regard for which political party has controlled the court.

Locke Liddell has been an eager player in this system. It has contributed heavily to the justices' campaigns, hired two former Democratic justices as they came off the court and enjoyed better than average success practicing before the court.

Texans for Public Justice's 2002 report *Pay to Play* found that the justices agreed to hear just 11 percent of all the appeals that they received from 1993 through 1998. Yet law firms and litigants that contributed to the justices' campaigns enjoyed much higher acceptance rates. The court, for example, agreed to hear a remarkable 42 percent of the cases filed by Miers' Locke Purnell Rain & Harrell, which gave the justices $139,423 in this period.

Lottery wins and losses

To tackle Texas' troubled Texas Lottery Commission, then-Governor Bush appointed attorneys from each of Locke Liddell's predecessor firms to this three-member commission: Miers and former Democratic Chief Justice John Hill.

This commission tried to restore public confidence in the Lottery by firing Executive Director Nora Linares, whose boyfriend worked for the Lottery's chief contractor: GTech. Yet the commissioners reversed this gain when they quickly fired Linares' replacement—whom they had handpicked.

The three commissioners fired new Director Lawrence Littwin when he: 1. Questioned audit irregularities in the GTech contract; and 2. Raised concerns about GTech violating a prohibition on Lottery contractors making political contributions.

Mapmaking

Locke Liddell had a big role in Texas' more recent scandals over redistricting. John Hill's former Supreme Court clerk, Andy Taylor, left Locke Liddell in 1999 to become assistant attorney general under current U.S. Senator John Cornyn. During the 2000 fight over Texas' state legislative districts, Cornyn and Taylor awarded a lucrative contract to vet redistricting plans to Locke Liddell.

Taylor rejoined Locke Liddell in 2001. When Texas then redrew its *congressional* districts at Tom DeLay's behest, Taylor himself became the state's top outside redistricting attorney--first at Locke Liddell and then at the firm that Taylor started in April 2003.

When TRMPAC and the Texas Association of Business were accused of breaking Texas' prohibition on corporate contributions in the 2002 elections, both groups retained Taylor as legal counsel. The many roles that Taylor assumed in the TRMPAC-related scandals raised repeated ethical questions, as when Democratic Senator Royce West asked in 2003, "Why is the AG allowing Tom DeLay's attorney to draw the map for the state of Texas?"

Groups of Texas Democratic lawmakers—first in the House and then in the Senate—fled the state in 2003 to rob DeLay's redistricting agenda of a quorum. This tactic broke down in September 2003 when one of 11 Democratic senators holed up in New Mexico—Locke Liddell's John Whitmire—came home.

Funeralgate

John Whitmire splits his time between lobbying federal and local officials for Locke Liddell and legislating in the Texas Senate. In Texas' Funeralgate scandal, however, it was never clear if Whitmire was acting in his legislative or his lobbying capacity.

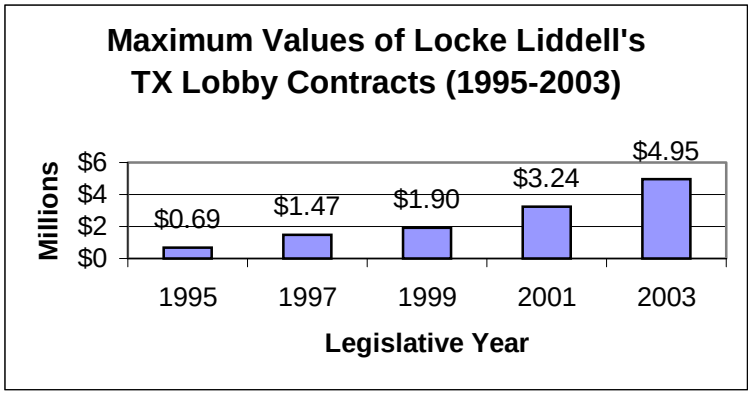
After Texas' funeral-regulatory agency recommended a record $445,000 fine against funeral giant Service Corp. International (SCI) in 1998, Whitmire summoned agency director Eliza May to a meeting in the office of Bush Chief of Staff Joe Allbaugh. There, Whitmire interrogated May about the case in front of the CEO of SCI—a Locke Liddell client and big donor to Bush and Whitmire.

Whitmire petitioned Attorney General Cornyn to rule if the agency had the authority to regulate SCI's disputed embalming practices. Reversing its initial decision to not opine on this pending dispute, Cornyn's office issued a ruling favorable to SCI. The *Austin Chronicle* revealed that this reversal came a month after SCI and Locke Liddell lawyers met with Cornyn in his office.

Documents that the *Chronicle* obtained from Cornyn's office listed Assistant Attorney General Andy Taylor as a signatory of the opinion and as a participant in Cornyn's meeting with SCI. An AG spokesperson who told the *Chronicle* that Taylor had recused himself from SCI matters attributed the contradictory documents to a "clerical error."

Locke lobby

Since Bush became governor in 1995, Locke Liddell has become one of Texas' leading lobby firms. From 1995 through 2004, 121



Top Locke Liddell & Sapp Texas Lobby Clients (1995 through 2004)

Client	Max. Value of Contracts	Min. Value of Contracts	No. of Contracts
*†Locke Liddell & Sapp	$2,035,005	$1,515,000	33
*Burlington Northern & Sante Fe Railway Co.	$1,850,000	$1,200,000	18
Pioneer Natural Resources	$1,040,000	$750,000	9
Gulf States Financial Services, Inc	$640,000	$300,000	12
*Gulf States Toyota, Inc	$640,000	$300,000	12
Houston Firefighters Relief & Retirement Fund	$640,000	$300,000	12
Houston Municipal Employees Pension System	$590,000	$275,000	11
Dell Computer Corp.	$550,000	$270,000	7
Atmos Energy Corp. (Energas Co.)	$540,000	$300,000	8
*Silver Eagle Distributors	$540,000	$300,000	9
Conoco, Inc.	$520,000	$300,000	6
Houston Community College System	$510,000	$350,000	4
Texas REIT Act Coalition	$500,000	$250,000	5
†Houston Astros	$490,000	$270,000	11
City of Garland	$460,000	$300,000	4
Shell Oil Co.	$460,000	$300,000	4
*†Mesa Water, Inc.	$455,000	$260,000	7
Owens Corning Fiberglas Corp	$410,000	$200,000	5
Hinkle Cox Eaton Coffield & Hensley	$400,000	$300,000	4

*Company or principal contributed to Texans for a Republican Majority.
†Company or principal contributed to DeLay's legal defense fund.

different clients paid 10 Locke Liddell lobbyists a total of between $12 million and $22 million to lobby Texas state officials.[2] Since 1995 this business has risen steadily in each of Texas' biennial legislative years.[3]

Here again, TRMPAC's influence is evident. Five top Locke Liddell lobby clients—led by Burlington Northern and T. Boone Pickens' Mesa Water—are associated with a total of $108,000 in TRMPAC contributions.

After a Locke Liddell beer client, Silver Eagle, contributed to TRMPAC, its CEO flew off on a 2003 Bahamas policy junket with Governor Rick Perry and Grover Norquist, a crony of DeLay and indicted lobbyist Jack Abramoff.

New lobby clients that Locke Liddell has added in 2005 include Service Corp. International and Houston-based Perry Homes. The $165,000 that owner Bob Perry gave to TRMPAC made him its No. 1 donor. Perry also bankrolled the attack ads that Swiftboart Veterans for Truth ran against John Kerry.

Locke Liddell lobbyist Terral Smith attended a TRMPAC fundraiser for lobbyists that DeLay headlined in Austin in July 2002. In unheeded advice, Smith—who was Bush's gubernatorial legislative director—told the *Austin American-Statesman* that he advised his firm not to give to TRMPAC on the principle that when you contribute to candidates you ought "to do it yourself so you can get the credit."

This year Governor Perry appointed Locke lobbyist Alan Waldrop to a vacancy on Texas' 3rd Court of Appeals in Austin. Waldrop has been Texans for Lawsuit Reform's lead outside counsel.

After years of having its Texas-based lobbyists travel to Washington to lobby federal officials, Locke Liddell opened a beltway lobby shop the very week that President Bush nominated Harriet Miers for the Supreme Court.

Roll Call reported that the new office's lobbyists include former congressional aides

Dave DiStefano and Phil Rivers, as well as former Governor Bush aide Roy Coffee. DiStefano and Rivers brought the firm's initial clients (including BellSouth, Genworth and Sempra Energy) with them from their old firms.

DiStefano and Rivers previously worked for two members of Congress who are related to a couple of DeLay scandals. DeLay and Rivers' old boss, Rep. Bob Ney (R-Ohio), were two of indicted lobbyist Jack Abramoff's closest allies.

DiStefano's former boss, Senator Richard Shelby (R-Alabama), is tied to now-indicted TRMPAC donor Westar Energy. Internal company documents reveal that Senator Shelby directed Westar to contribute to the 2002 congressional campaign of his former chief of staff, Tom Young, when Westar sought the senator's support for its ultimately unsuccessful bid to secure a special utility exemption.●

Locke Liddell's Texas Lobbyists (1995 through 2004)

Lobbyist	Max. Value of Contracts	Min. Value of Contracts	No. of Contracts
Robert D. Miller	$6,840,000	$3,700,000	97
Gary D. Compton	$5,045,005	$3,685,000	37
Ronald W. Kessler	$3,760,000	$1,685,000	99
Terral R. Smith	$3,035,000	$1,625,000	54
Yuniedth Midence	$2,515,000	$835,000	114
John K. Arnold	$455,000	$230,000	13
R. Bruce LaBoon	$250,000	$100,000	8
Marty V. Swanger	$235,000	$60,000	14
Brian Cassidy	$210,000	$70,000	10
*G. Alan Waldrop	$100,000	$50,000	5
TOTALS:	**$22,445,005**	**$12,040,000**	**451**

*Appointed to a state appeals court vacancy in August 2005.

[1] Bush appointed Justices James A. Baker, Greg Abbott, Deborah Hankinson and Alberto Gonzales to fill Texas Supreme Court vacancies.
[2] Exact amounts are unknown because Texas lobbyists report contract values in ranges (e.g. $50,000 to $100,000).
[3] Comparable year-end data for the current legislative year are not yet available.