

LOBBY WATCH



★ TEXANS FOR PUBLIC JUSTICE 609 W. 18TH ST., SUITE E, AUSTIN, TX 78701 PH: (512)472-9770 FAX: (512)472-9830

Corporate Star Fall:

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Stars Over Texas (SOT) PAC Returns Corporate Loan-Shark Checks!

- What Does 'Fast Bucks Holding Corp.' Charge For A Returned Check?

sot *n.* [Middle English] A drunkard or fool. —*Webster's*

The House Republican majority's new Stars Over Texas (SOT) PAC announced Friday that it is returning all of its corporate donations pending the outcome of a criminal investigation into its predecessor's use of corporate money. Media have reported SOT's largest corporate donation: \$100,000 from AT&T. But these reports overlooked SOT's other \$8,900 in corporate money—all which came from nine predatory lending companies that contributed to the PAC on the same day.

The disclosure that SOT filed in July reported that the PAC raised \$21,500 in the first half of the year—all from individuals and PACs. In a corrected report filed last month, SOT reported that—oops—it had failed to mention another \$108,900 in corporate contributions.

Apart from the \$100,000 from AT&T (which had given \$20,000 in corporate money to indicted predecessor Texans for a Republican Majority PAC), SOT's other corporate checks all came from predatory check-cashing and payday-loan companies. These predatory lenders made their contributions in concert on March 29.

As a result of the exorbitant rates that it charges the working poor, this industry has battled federal and state regulatory efforts. To dodge Texas regulation, the industry has been running Texas loans through out-of-state federally chartered banks. With the exception of the Federal Deposit Insurance Corp. (FDIC), however,

every federal banking agency now has prohibited this loophole. As pressure grows for Donald Powell—the Texas banker whom Bush tapped as FDIC chair—to follow suit, so has the urgency of the industry's deregulation agenda in Texas. Without it, the effective annualized interest rate charged on a modest payday loan could plummet from 1,000 percent to a mere 500 percent.

Perhaps this explains why so many corporate loan sharks with names like Fast Bucks, Check'n Go and Mister Money teamed up to jointly bankroll a PAC started by Christi Craddick, daughter of the House Speaker.

Corporate Contributions To Stars Over Texas PAC (Dec. 2003 Through July 2004)

| Corporate Donor | Corporate Contribution |
|-------------------------------------|------------------------|
| AT&T | \$100,000 |
| ACE Cash Express, Inc. | \$2,200 |
| Advance America | \$1,500 |
| Cash America | \$1,200 |
| Check'n Go of Texas, Inc. | \$1,000 |
| First Cash Financial Services, Inc. | \$1,000 |
| Fast Bucks Holding Corp. | \$800 |
| Mister Money, USA | \$800 |
| Check Into Cash, Inc. | \$400 |
| TOTAL: | \$108,900 |

Corporations with better reputations are rethinking corporate contributions after criminal indictments last week that charged three political operatives and eight corporations with helping TRM PAC illegally use corporate money to influence Texas' 2002 elections.

The day that Travis County prosecutors announced the indictment, Speaker Craddick was attending a SOT PAC fundraiser in Dallas. It is unclear if SOT received additional corporate contributions between the last day covered in its most recent disclosure, August 4, 2004, and its September 24th announcement that it would return all its corporate contributions.

Non-corporate donors

SOT PAC has reported raising \$142,150 since December 2003, with 77 percent of this money coming from corporations. Corporate money has been irresistible to political fundraisers because it can be much easier to raise \$100,000 straight out of a corporate treasury than it is to raise it through the often-smaller PAC and individual contributions that legally can be spent on Texas political campaigns.

SOT's top PAC contributions came from the Texas Dental Association PAC and Gulf Greyhound Partners, a dog-racing PAC. It also received \$8,000 from the campaigns of three Republican House incumbents, led by Rep. Beverly Woolley, who was a big fundraiser for the indicted TRM PAC. Another donor is real estate mogul Harlan Crow, whose family has had stakes in horse-racing tracks and the polluting Holnam cement plant in Midlothian.

Two hired-gun lobbyists also tossed money in the SOT pot. Mignon McGarry has reported that 20 clients are paying her up to \$890,000 in 2004, led by the Texas Medical Liability Trust, Republic Beverage, Houghton Mifflin and Grande Communications. Roland Leal has reported that seven clients are paying him up to \$385,000 in 2004, led by Southwestern Bell, eMedical Files, the Texas Healthcare Association and Texas Mutual Insurance Co.

Lara Keel Laneri is a top lobbyist for SOT PAC's most generous predatory lender, Ace Cash Express. She married a cousin of SOT PAC's treasurer, State Rep. Terry Keel.

**Non-Corporate Contributions
To Stars Over Texas PAC
(December 2003 Through July 2004)**

| Contributor | Amount | City | Occupation |
|-----------------------------|-----------------|-------------|-----------------------------|
| Texas Dental Assoc. PAC | \$12,500 | Austin | |
| Gulf Greyhound Partners PAC | \$10,000 | La Marque | |
| Beverly Woolley Campaign | \$5,000 | Houston | |
| Talmadge Heflin Campaign | \$2,000 | Houston | |
| Dan Branch Campaign | \$1,000 | Dallas | |
| Harlan R. Crow | \$1,000 | Dallas | Trammell Crow/Crow Holdings |
| Mignon McGarry | \$1,000 | Austin | Hired-gun lobbyist |
| Roland Leal | \$500 | Georgetown | Hired-gun lobbyist |
| Susan Ross | \$250 | Round Rock | TX Dental Assoc. lobbyist |
| TOTAL: | \$33,250 | | |