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Capital Bits & Pieces

NO TOM DELAY, NO TRMPAC

A Democracy 21 Report on House Majority Leader Tom DeLay's Involvement in TRMPAC and His Association with TRMPAC's Operatives

Democracy 21 today released a report titled, "No Tom DeLay, No TRMPAC."

The report documents House Majority Leader Tom DeLay's extensive involvement in Texas for a Republican Majority PAC (TRMPAC) and his close association with three TRMPAC operatives who were indicted on September 21, 2004 for felony violations of Texas campaign finance laws related to their TRMPAC activities during the 2002 state legislative elections.

Two of the individuals – Jim Ellis and John Colyandro – were charged with laundering illegal corporate donations. Colyandro and a third man, Warren RoBold, were indicted on charges of accepting illegal corporate contributions.¹ Eight corporations were also indicted for making illegal contributions to TRMPAC.

¹ L. Copelin, "DeLay denies key role in group; Founder contradicts documents' boasts about his involvement," *Austin American-Statesman* (Oct. 10, 2004).

“After the indictments in the TRMPAC affair, House Majority Leader DeLay attempted to distance himself from TRMPAC’s operations. However, it’s fair to say there would be no TRMPAC if there were no Tom DeLay,” said Democracy 21 President Fred Wertheimer.

“This report does not address the issue of whether Representative DeLay engaged in any improper conduct in the TRMPAC affair, a matter that is pending before the House Ethics Committee and has been deferred for consideration until the Texas criminal case is resolved,” Wertheimer stated.

“The report does, however, take a close look at how and why Representative DeLay created TRMPAC and at his relationships with the TRMPAC operatives now under criminal indictment – in light of DeLay’s efforts to distance himself from TRMPAC.”

“Representative DeLay has been warned, rebuked, and admonished by the House Ethics Committee regarding five separate instances of improper conduct since 1997,” said Wertheimer.

In its October 6, 2004 letter to Representative DeLay, the House Ethics Committee formally “admonished” Representative DeLay for “improper” fundraising activities in 2002 relating in part to TRMPAC, and for improperly using federal resources to intervene in a partisan conflict relating to state legislative redistricting in Texas. The Committee noted that it had decided to defer an investigation of an allegation that DeLay was involved in illegally funneling corporate funds through the RNC to Texas state campaigns “pending further action both in the cases that were initiated by the recent TRMPAC-related indictments in state court in Texas and in the District Attorney’s continuing investigation [of] TRMPAC’s activities in 2002.”²

The Travis County District Attorney is continuing a criminal investigation which centers on a scheme by TRMPAC to raise and spend approximately \$600,000 in corporate donations to influence the 2002 Texas state legislative elections. According to published reports, part of this effort involved a scheme to launder corporate funds to Texas state legislative candidates through an arm of the Republican National Committee. According to one report:

The money laundering charges arise from a transaction between Texans for a Republican Majority and an arm of the Republican National Committee. According to the indictment, Colyandro sent Ellis, who works in Washington, a check for \$190,000 in corporate donations. Ellis then gave the national committee officials the check and a list

² Memorandum from Reps. Joel Hefley and Alan B. Mollohan to House Ethics Committee re “Recommendation for disposition of the complaint filed against Representative DeLay,” at 2, available on the website of the House Ethics Committee at http://www.house.gov/ethics/DeLay_Cover.htm

of Republican House candidates who were to receive a total of \$190,000 in noncorporate donations from the national committee.³

House Majority Leader DeLay created TRMPAC in 2001 as part of a “daring plan”⁴ to help dramatically alter the makeup of the Texas congressional delegation by eliminating the districts of as many as seven of the incumbent Democratic House Members, and redrawing those districts to be favorable to Republican candidates. The plan first required that Republicans be elected to a majority in the Texas Legislature, which would then draw the new congressional redistricting plan. TRMPAC’s goal was to help accomplish just that.

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³ L. Copelin, “2 DeLay aides booked, freed,” *Austin American Statesman* (Oct. 12, 2004).

⁴ L. Dubose and J. Reid, “The Man with the Plan,” *Texas Monthly* (Aug. 2004).

NO TOM DELAY, NO TRMPAC

A Democracy 21 Report on House Majority Leader Tom DeLay's Involvement in TRMPAC and His Association with TRMPAC's Operatives

House Majority Leader Tom DeLay has been closely associated with Texans for a Republican Majority (TRMPAC) since he, along with two DeLay associates, Jim Ellis and John Colyandro, founded the group in 2001.⁵ Yet, after the indictment of three TRMPAC operatives, including Ellis and Colyandro, he has tried to distance himself from the organization.

DeLay has stated, "This investigation isn't about me."⁶ According to press reports, DeLay is "downplaying" his role with TRMPAC.⁷ He has been quoted as saying, "For some reason, particularly in the Texas media, it is like TRMPAC has a last name and it is called Tom DeLay."⁸ DeLay has told *The Wall Street Journal* that "I didn't have anything to do with the day-to-day operations of TRMPAC."⁹

The record, however, refutes Representative DeLay's sudden efforts to distance himself from TRMPAC. DeLay created the organization as part of his "daring plan" to alter the Texas congressional delegation.¹⁰ His "most trusted political aide,"¹¹ Jim Ellis, helped decide which Texas candidates would get TRMPAC money and "shuttled frequently to Austin last year, carrying DeLay's directions to state lawmakers working in private to draw new congressional districts."¹² According to published reports, DeLay raised funds for TRMPAC, sat in on planning sessions, provided assistance with "leading strategists," and briefed would-be donors.¹³

⁵ R. Oppel Jr., "Inquiry Focuses on Group DeLay Created," *The New York Times* (Feb. 16, 2004).

⁶ L. Copelin, "DeLay denies key role in group; Founder contradicts documents' boasts about his involvement," *Austin American-Statesman* (Oct. 10, 2004).

⁷ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

⁸ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

⁹ "U.S. Rep. DeLay on Defensive Over Texas, House Probes," *The Wall Street Journal* (Sept. 21, 2004).

¹⁰ L. Dubose and J. Reid, "The Man with the Plan," *Texas Monthly* (Aug. 2004).

¹¹ "The Texas Indictments," *Congressional Quarterly* (Sept. 24, 2004).

¹² C. Lindell, "DeLay's point man led charge on redistricting," *Austin American-Statesman*. (Sept. 22, 2004).

¹³ *Austin American-Statesman* (Oct. 10, 2004), *supra*; *Texas Monthly* (Aug. 2004), *supra*.

DeLay served as chairman of the TRMPAC five-member advisory board.¹⁴ According to a published report, John Colyandro, a founder and former executive director of TRMPAC, stated in a deposition that the TRMPAC advisory board played an active role:

We would have regular meeting conference calls to discuss matters related to the overall administration of [TRMPAC]. And when it came to broadly making decisions about who, which candidates we would support and with what amount of financial assistance, at that point the advisory board was involved with those types of decisions.”¹⁵

In October, 2002, an email to TRMPAC donors said that DeLay would participate in a conference call to brief the donors about TRMPAC’s activities. A fundraiser for TRMPAC wrote to the donors, “Congressman DeLay will join us for a brief conference call to update everyone on TRMPAC’s efforts to date and to discuss our strategy for victory in the final weeks of the campaign.”¹⁶

“TRMPAC is Representative DeLay’s brainchild,” Wertheimer said.

TRMPAC: Tom DeLay’s Plan

In 2001, House Majority Leader Tom DeLay launched a plan to dramatically alter the makeup of the Texas congressional delegation by eliminating the districts of as many as seven of the incumbent Democratic House Members, and redrawing those districts to be favorable to Republican candidates.

Since the lines for congressional districts are drawn by state legislatures, DeLay’s plan required the Texas Legislature to pass a new congressional redistricting plan. But since the Texas House was controlled by the Democrats, his plan first required Republicans be elected to a majority in that body.

In September 2001, DeLay, along with two associates, founded a new non-federal political committee, Texans for a Republican Majority (TRMPAC), whose goal was to do just that. As one report describes DeLay’s plan:

Target a few linchpin races in 2002 where Republican victories would enable the party to break the Democrats’ lock on the Texas House of Representatives, help recruit the strongest possible candidates, and pour in money and assistance just as his national political action committee, Americans for a Republican Majority (ARMPAC), had done in so many congressional races in 2000. The Legislature

¹⁴ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

¹⁵ R.G. Ratcliffe, “Old law gives DeLay new trouble,” *The Houston Chronicle* (March 1, 2004).

¹⁶ *Austin American-Statesman* (Oct. 10, 2004) *supra*.

would push through a redistricting plan that would allow gerrymandering arithmetic to accomplish what the Republicans weren't getting done at the polls, and soon the Texas congressional delegation would include a rightful commanding majority of Republicans (who would, among other virtues, leap to show their gratitude in the event that DeLay offered himself for Speaker of the U.S. House).¹⁷

TRMPAC's financing was seeded with a \$50,000 donation from another political committee controlled by DeLay, ARMPAC.¹⁸

TRMPAC had great success. In the 2002 election, 18 of the 21 state house candidates backed by TRMPAC won election. This helped Republicans to take control of the Texas House.¹⁹

In 2003, after a period of extraordinary partisan controversy, the Texas Legislature passed a new congressional redistricting plan that was signed by Republican Governor Rick Perry. DeLay is considered to be an architect of the plan, which was aimed at the elimination of as many as seven incumbent congressional Democrats. According to *The National Journal*, "DeLay waged a highly controversial backroom effort to urge the GOP-controlled Texas Legislature to pass a new congressional redistricting map, even though Texas, like other states, had just completed redistricting following the 2000 census."²⁰ According to the same report:

Although state and national Republicans emphasize that DeLay did not write the actual details, there is widespread agreement that he placed redistricting on the table in Austin and that he overcame numerous obstacles to win the enactment of a new map...In the final stages of negotiations among Republicans in the Texas House and Senate, DeLay engaged in shuttle diplomacy between the two sides for three days.²¹

Congressional Quarterly said that TRMPAC is an organization "DeLay created to help finance the Republican takeover of the state capitol [in 2002], which led to a congressional redistricting of Texas that will probably expand DeLay's already considerable power base again next year."²²

¹⁷ *Texas Monthly* (Aug. 2004) *supra*.

¹⁸ R.G. Ratcliffe, "DeLay PAC took Enron funds," *The Houston Chronicle* (July 14, 2004).

¹⁹ *The New York Times* (Feb. 16, 2004) *supra*.

²⁰ R. Cohen, "The Evolution of Tom DeLay," *The National Journal* (Nov. 15, 2003).

²¹ *The National Journal* (Nov. 15, 2003), *supra*.

²² S. Ferrechio, "DeLay Maintains Strong GOP Support Despite Indictment of His Advisers," *Congressional Quarterly* (Sept. 24, 2004).

Last month, three associates of DeLay were indicted for campaign finance practices involving TRMPAC activities. The indictments charge that TRMPAC illegally raised and spent \$600,000 in corporate funds to influence the Texas House elections in violation of state law. Texas law permits a committee to spend corporate money on its administrative overhead like rent and utilities. The law, however, prohibits the spending of corporate money for the purpose of influencing the election of candidates, and also prohibits corporate contributions to state legislative candidates.

(In addition to the \$600,000 in corporate funds, TRMPAC gave about \$900,000 in non-corporate donations directly to state legislative candidates in 2002.)²³

The key issue in the case is whether TRMPAC spent corporate funds on its own overhead costs, or on illegal activities to promote the election or defeat of the state legislative candidates, including illegally laundering corporate contributions through the RNC to these state candidates.

According to a report in *The New York Times*, records show that TRMPAC fundraisers “who were paid with corporate money solicited donations on behalf of individual candidates backed by the committee, which also spent corporate donations on fund-raising events, polling and a voter identification project.”²⁴ According to this report, TRMPAC officials were also involved in raising corporate funds that were sent directly to the candidates.²⁵

The charge of illegal money laundering arises from a transaction between TRMPAC and an arm of the Republican National Committee. A published report describes the alleged scheme as follows:

According to the indictment, Colyandro sent Ellis, who works in Washington, a check for \$190,000 in corporate donations. Ellis then gave national committee officials the check and a list of Republican House candidates who were to receive a total of \$190,000 in noncorporate donations from the national committee.²⁶

The TRMPAC donation of corporate funds to the RNC was made on September 10, 2002. On October 4, 2002, the RNC wrote checks totaling the same amount to seven Texas House candidates supported by TRMPAC.²⁷

²³ L. Copelin, “Craddick downplays \$100,000 exchange,” *The Austin American-Statesman* (Sept. 23, 2004).

²⁴ *The New York Times* (Feb. 16, 2004), *supra*.

²⁵ *The New York Times* (Feb. 16, 2004), *supra*.

²⁶ L. Copelin, “2 DeLay aides booked, freed,” *The Austin American-Statesman* (Oct. 12, 2004).

²⁷ *The New York Times* (Feb. 16, 2004), *supra*.

Jim Ellis, who is “DeLay’s most trusted political aide” as well as the head of ARMPAC and an officer of TRMPAC, was charged with one felony count of money laundering.²⁸

John Colyandro, the executive director of TRMPAC in 2002, was charged with one count of money laundering and 13 counts of illegally accepting corporate contributions.²⁹

Warren RoBold, a fundraiser for TRMPAC, was charged with nine counts each of accepting corporate contributions.³⁰

In addition, eight corporations – Sears Roebuck, Inc., Bacardi USA, Cracker Barrel Old Country Store, Westar Energy, Inc., Diversified Collection Services, Inc., Williams Companies, Inc., Questerra Corp, and Alliance for Quality Nursing Home Care Corp. – were indicted for making illegal corporate contributions in amounts between \$20,000 and \$100,000.³¹

DeLay’s Connections with TRMPAC.

As noted above, House Majority Leader Tom DeLay, along with two associates, founded TRMPAC and DeLay served as chairman of its advisory board.³² He “sat in on planning sessions,”³³ and “was called on to brief would-be donors” on TRMPAC’s efforts.³⁴ A fellow TRMPAC advisory board member, state Rep. Diane White Delisi, wrote in a memo to a potential donor that DeLay “has been an ardent advocate for us by raising money, making phone calls, serving as a special guest at events and providing assistance with leading strategists.”³⁵ According to the *Houston Chronicle*, DeLay “was more than a passive participant in TRMPAC fundraising events.”³⁶

DeLay ties to TRMPAC are extensive:

- DeLay participated at a November 2001 press conference in Austin, announcing the creation of TRMPAC.³⁷
- According to published reports, DeLay traveled to Texas “at least five times” on behalf of TRMPAC, “mostly to raise money.”³⁸

²⁸ “The Texas Indictments,” *Congressional Quarterly* (Sept. 24, 2004).

²⁹ *Congressional Quarterly*, (Sept. 24, 2004), *supra*.

³⁰ *Congressional Quarterly*, (Sept. 24, 2004), *supra*.

³¹ *Congressional Quarterly*, (Sept. 24, 2004), *supra*.

³² *The New York Times* (Feb. 16, 2004), *supra*; *Austin American-Statesman* (Oct. 10, 2004), *supra*.

³³ *Texas Monthly* (August, 2004), *supra*.

³⁴ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

³⁵ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

³⁶ R.G. Ratcliffe, “PAC memo links DeLay to fundraiser,” *The Houston Chronicle* (Oct. 7, 2004).

³⁷ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

³⁸ *Austin American-Statesman* (Oct. 10, 2004), *supra*.

- In June 2002, DeLay hosted a two-day golf tournament at a Virginia resort, the Homestead, for a group of energy industry executives, as Congress was finalizing energy legislation. The event was a joint fundraiser for TRMPAC and for ARMPAC, DeLay's leadership committee. Participants were required to donate at least \$25,000 to one of the committees. DeLay was "admonished" by the House Ethics Committee for his participation in this fundraising event.³⁹
- A vice president for one corporate donor to TRMPAC, Williams Company Inc., an Oklahoma-based energy provider, sent a \$25,000 check for TRMPAC to the committee's Austin address, but addressed the cover letter to "Dear Congressman DeLay." The letter said, "I am pleased to forward our contribution of \$25,000 for the TRMPAC that we pledged at the June 2, 2002 fundraiser."⁴⁰
- In August, 2002, a fundraising consultant for TRMPAC sent an email to the director of a political committee headed by Rep. Billy Tauzin, seeking Tauzin's help in setting up a fundraising event. The email stated, "Congressman DeLay and others founded TRMPAC to help elect conservative Republican members to the Texas state legislature... To that end, Congressman DeLay is extremely committed to TRMPAC and suggested that we contact Congressman Tauzin to enlist his support for our organization." As the *Houston Chronicle* notes, this memo indicates that DeLay "had personal involvement in directing some of the fundraising activities" of TRMPAC.⁴¹
- In August, 2002, DeLay headlined a fundraising luncheon in Houston and, according to committee documents, met privately with a group called the finance committee for TRMPAC before the event.⁴²
- In October, 2002, an email to TRMPAC donors said that DeLay would brief the donors about TRMPAC's activities on a conference call. A fundraiser for TRMPAC wrote to the donors, "Congressman DeLay will join us for a brief conference call to update everyone on TRMPAC's efforts to date and to discuss our strategy for victory in the final weeks of the campaign."⁴³
- According to a published report, John Colyandro, a founder and former executive director of TRMPAC, stated in a deposition that the TRMPAC advisory board played an active role in TRMPAC activities. According to Colyandro, "We would have regular meeting conference calls to discuss matters related to the overall administration of the committee [TRMPAC]. And when it came to broadly making decisions about who, which candidates we

³⁹ Memorandum from Reps. Joel Hefley and Alan B. Mollohan to House Ethics Committee re "Recommendation for disposition of the complaint filed against Representative DeLay," at 14-16, 21-22.

⁴⁰ L. Dubose, "The decay of DeLay," *Salon.com* (Oct. 4, 2004); *Austin American Statesman* (Oct. 10, 2004), *supra*.

⁴¹ *The Houston Chronicle* (Oct. 7, 2004), *supra*.

⁴² *Austin American Statesman* (Oct. 10, 2004), *supra*.

⁴³ *Austin American-Statesman* (Oct. 10, 2004) *supra*.

would support and with what amount of financial assistance, at that point the advisory board was involved with those types of decisions.”⁴⁴ The TRMPAC advisory board was chaired by DeLay.

- According to published reports, DeLay’s daughter, Dani DeLay Ferro, was paid by TRMPAC to organize fundraising events such as the group’s fundraising kickoff in January, 2002.⁴⁵

DeLay’s Close Associations with TRMPAC Operatives

In addition to his ties to TRMPAC itself, DeLay has close associations with the three TRMPAC operatives who were recently indicted in Texas for campaign finance violations related to TRMPAC.

DeLay’s Association with Jim Ellis

Jim Ellis, indicted on one count of felony money-laundering, has been called “DeLay’s most trusted political aide,”⁴⁶ “DeLay’s top political aide,”⁴⁷ and “DeLay’s point man” on Texas redistricting.⁴⁸

As one published report states, “If U.S. House Majority Leader Tom DeLay was the public face of last year’s redistricting wars in Texas, his close aide, Jim Ellis, was a behind-the-scenes force in the ambitious effort to topple Democratic incumbents.”⁴⁹ According to the report, Ellis, who is based in Washington, “shuttled frequently to Austin last year, carrying DeLay’s directions to state lawmakers working in private to draw new congressional districts.”⁵⁰ According to another published report, Ellis said that he was in Texas “frequently” during the redistricting battle, and “attended meetings with Gov. Rick Perry, DeLay and other state leaders as early as January [2003] and worked off and on in Austin until legislation was passed in October.”⁵¹ According to one press report, the sponsor of the redistricting bill in the House, state Rep. Phil King, said Ellis “served as the funnel for Republican members of Congress to tell King what they wanted in the map.”⁵²

⁴⁴ *The Houston Chronicle* (March 1, 2004), *supra*.

⁴⁵ *Austin American-Statesman* (Oct. 10, 2004) *supra*.

⁴⁶ “The Texas Indictments,” *Congressional Quarterly* (Sept. 24, 2004).

⁴⁷ S. Ferrechio, “DeLay Maintains Strong GOP Support Despite Indictment of His Advisers,” *Congressional Quarterly* (Sept. 24, 2004).

⁴⁸ *Austin American-Statesman*. (Sept. 22, 2004), *supra*.

⁴⁹ *Austin American-Statesman* (Sept. 22, 2004), *supra*.

⁵⁰ *Austin American-Statesman* (Sept. 22, 2004), *supra*.

⁵¹ L. Copelin, “DeLay aide fights return to Texas,” *Austin American-Statesman* (April 6, 2004).

⁵² *Austin American-Statesman* (April 6, 2004), *supra*.

Ellis is executive director of ARMPAC, a leadership committee that is chaired by DeLay. He also was a founder of TRMPAC, as well as an officer of the committee, and a paid consultant to it.⁵³ He “helped decide which Republican candidates for the Texas House would share in the \$1.5 million [TRMPAC] raised before the 2002 election.”⁵⁴ According to another published report, Ellis “was one of three officers authorized to make decisions about expenditures and contributions by” TRMPAC.⁵⁵

DeLay’s Association with Warren RoBold

Warren RoBold, a Washington, D.C.-based consultant, was indicted on nine felony counts of soliciting and accepting illegal corporate contributions. RoBold “helped raise money” for both ARMPAC and TRMPAC.⁵⁶ According to *The Houston Chronicle*, “RoBold had been DeLay’s fund-raiser for several years.”⁵⁷ *The Chronicle* also reported that, “While raising money for TRMPAC, RoBold kept his office in the offices of DeLay’s ARMPAC...”⁵⁸ The *Chronicle* report also states:

Colyandro testified in a civil lawsuit that RoBold was assigned to raise \$600,000 in corporate cash in Washington for TRMPAC. Almost all the controversial corporate money came from RoBold events, most of which featured DeLay as the honored guest.⁵⁹

The *Chronicle* describes a fundraising brochure created by RoBold that said corporate donations to TRMPAC will be put to “productive” use. “The same brochure contained a direct solicitation for donations from DeLay and put him at the top of the list of advisory board members.”⁶⁰

RoBold “has known DeLay...for years” and also has “raised money for a DeLay charity to help abused and neglected children.”⁶¹

DeLay’s Association with John Colyandro

John Colyandro, a Texas political consultant and the former executive director of TRMPAC,⁶² was indicted on one count of money laundering and 13 counts of accepting illegal

⁵³ *Austin American-Statesman* (Oct. 12, 2004), *supra*.

⁵⁴ *Associated Press*, “A look at the three men indicted in election investigation,” (Sept. 22, 2004).

⁵⁵ *The New York Times* (Feb. 16, 2004), *supra*.

⁵⁶ AP (Sept. 22, 2004), *supra*.

⁵⁷ R. G. Ratcliffe, “Records show ties of DeLay, Craddick to PAC, *The Houston Chronicle* (Sept. 24, 2004).

⁵⁸ *The Houston Chronicle* (Sept. 24, 2004), *supra*.

⁵⁹ *The Houston Chronicle* (Sept. 24, 2004), *supra*.

⁶⁰ *The Houston Chronicle* (Sept. 24, 2004), *supra*.

⁶¹ AP (Sept. 22, 2004), *supra*.

corporate contributions. Colyandro, along with DeLay and Ellis, created TRMPAC,⁶³ and Colyandro was “DeLay’s choice to lead” TRMPAC.⁶⁴ According to one report, “Colyandro and Jim Ellis were listed as decision-makers on the paperwork establishing TRMPAC.”⁶⁵

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⁶² *AP* (Sept. 22, 2004), *supra*.

⁶³ *New York Times* (Feb. 16, 2004), *supra*.

⁶⁴ L. Copelin, “Colyandro was immersed in campaign politicking,” *Austin American Statesman* (Sept. 22, 2004).

⁶⁵ *AP* (Sept. 22, 2004), *supra*.