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**For Immediate Release**

Attached is a copy of the lawsuit filed today by Chris Bell and a statement by Chris Bell.

The suit alleges that both the Perry Campaign and the Republican Governors Association violated Texas campaign regulations and financial reporting laws.

While the petition speaks for itself, please contact Buck Wood at (512) 328-8877 or cell (512) 917-8864 if you wish further comment.

## CHRIS BELL STATEMENT

Texas law specifically authorizes this suit which our Supreme Court says serves a vital public interest of punishing violators of our campaign finance laws and deterring future violations.

By violating these laws, the Rick Perry Campaign and the Republican Governors Association concealed a million dollar contribution by Bob Perry to the RGA which helped fund the Rick Perry Campaign.

It appears that it takes suits like this one to disclose what is really going on to fund these Republican campaigns. I think Texans have had enough of the Tom Delay, Rick Perry, "hide the money" shenanigans.

I look forward to what will be revealed by this lawsuit.

CAUSE NO. \_\_\_\_\_

CHRIS BELL AND CLEAN	§	IN THE _____ JUDICIAL
GOVERNMENT ADVOCATES	§	
FOR CHRIS BELL,	§	
Plaintiffs	§	
	§	
v.	§	DISTRICT COURT OF
	§	
REPUBLICAN GOVERNORS	§	
ASSOCIATION, AND TEXANS FOR	§	
RICK PERRY, DR. RICHARD BOX,	§	
TREASURER,	§	
Defendants	§	TRAVIS COUNTY, TEXAS

**PLAINTIFFS' ORIGINAL PETITION**

**TO THE HONORABLE JUDGE OF SAID COURT:**

NOW COME Chris Bell and Clean Government Advocates for Chris Bell, Plaintiffs herein, and file their Original Petition complaining of the Republican Governors Association, and Dr. Richard Box, Treasurer of Texans for Rick Perry, Defendants and would show the Court as follows:

**I.**

The discovery level of this suit is Level III.

**II.**

1. Plaintiff Chris Bell was a candidate for Governor of the State of Texas in the 2006 election year and his name appeared on the General Elections Ballot in that race.

2. Plaintiff Clean Government Advocates for Chris Bell (Bell Committee) was a duly qualified political committee under Texas law that supported Chris Bell for Governor in the 2006 election year.

3. Defendant Republican Governors Association (RGA) is an association of state officials which has a purpose of "supporting the election of Republican Governors" and other state officials. RGA has its principal place of business at 1747 Pennsylvania N.W., Suite 250, Washington, D.C. 20006 and may be served with process through its Executive Director, James N. Ayers, at said address.

4. Defendant Dr. Richard Box, Treasurer of Texans for Rick Perry, may be served with process at 807 Brazos, Suite 400, and Austin, Texas 78701.

### **III.**

#### **Venue and Jurisdiction**

5. Venue is proper in Travis County, Texas because Defendant Texans for Rick Perry, Dr. Richard Box, Treasurer, is a resident of said county. This Court has jurisdiction of this cause pursuant to TEX. ELEC. CODE §§ 253.131 and 254.231.

### **IV.**

#### **Factual and Legal Background And Purpose of the Law**

6. This cause of action is brought to enforce Texas law preventing unlawful campaign contributions to Texas candidates and illegal expenditures by entities, domestic or foreign, to influence Texas election outcomes.

7. Our Supreme Court has found that lawsuits such as the one brought here serve the public purpose to "deter violators and encourage enforcement by candidates and others directly participating in the electoral process, rather than placing the entire enforcement burden on the government." *Osterberg v. Peca*, 12 S.W.3d 31 (Tex. 2000). "Because State resources for policing election laws are necessarily limited, in many cases § 253.131 is likely to provide the only viable means of enforcing the reporting requirements. Preventing evasion of these important campaign finance provisions is a legitimate and substantial state interest." *Id.*

## V.

### Facts and Discussion

8. All of the Perry Campaign contributions and expenditures were funneled through a political committee formed under Texas law, Texans for Rick Perry, Dr. Richard Box, Treasurer (Perry Campaign). During the last days of the 2006 election, the Perry Campaign accepted two checks from the RGA totaling \$1,000,000.00. Less than a month prior to RGA's contributions to the Perry Campaign, Houston homebuilder Bob Perry, no relation, gave the RGA over \$1,000,000.00. Bob Perry, during this period, was the largest single contributor to RGA. In fact, no other individual contribution even came close to the amount of Bob Perry's contributions to RGA.

9. Within a month of Bob Perry's contribution to RGA, it made contributions to the Perry Campaign totaling \$1,000,000.00. These contributions were made on October 26 and November 1, 2006, both for \$500,000.00. This \$1,000,000.00 contribution,

within days of the election, was the largest contribution to the Perry Campaign during the 2006 General Election campaign.

10. The Perry Campaign reported the \$1,000,000.00 contribution as being from the "Republican Governors Association PAC." Further, the Perry Campaign reported that the Republican Governors Committee was an "out-of-state committee" under Texas law. In fact, the Republican Governors Association was not a qualified "out of state committee" that had disclosed its contributions and expenditures as required by Texas law.

11. Therefore, no one in Texas, or anywhere else for that matter, could find out who was underwriting the RGA's contributions to the Perry Campaign prior to the election. This is a direct violation of Texas law. The voters and the media had no way to determine the real source of the contributions to the RGA which, if they had been disclosed, could reasonably be attributed to a single Houston homebuilder. This is the exact subterfuge that our election laws were enacted to prevent.

## VI.

### Violations of Texas Campaign Finance Laws

12. The purpose of the Texas campaign finance regulation and disclosure laws is to prevent corruption and to disclose to the public the source of campaign monies contributed to and expended by political candidates and organizations and to prohibit certain funds from being used for electoral purposes. These limitations on contributions and expenditures and the prohibition of the use of certain funds in Texas elections have been upheld by the courts. The laws involved in this suit are long

established and unchallenged in their application. Both defendants violated the Texas statutes.

### The Perry Campaign

13. The Perry Campaign reported that it received \$1,000,000.00 from the RGA in the last two weeks before the 2006 General Election from the "Republican Governors Association PAC." No such organization had qualified as a political committee in this State, or elsewhere, when Dr. Box swore to its report. To Plaintiffs' knowledge, no such political committee has qualified under this State's or federal laws to the date of the filing of this suit. As of the date of the 2006 General Election, no report of the contributors or expenditures of a RGA PAC existed anywhere. No one could have located a report showing who contributed to such an entity or what expenditures the entity had made.

14. Texas law requires that candidates, their committees, and contributors be disclosed. As our Supreme Court stated: "First they may provide 'the electorate with information as to where political campaign money comes from' thus alerting the voters 'to the interest of which a candidate is most likely to be responsive and thus facilitating predictions of future performance in office'..." (citation omitted). *Osterberg v. Peca*, 12 S.W.3d at 47. "Second, disclosure of expenditures lessens the risk that individuals will spend money to support a candidate as a *quid pro quo* for special treatment after the candidate is in office. This disclosure is intended to deter actual corruption and help avoid the appearance of corruption." *Id.* No voter nor any media organization could

have determined who was actually contributing the political campaign money to the Perry Campaign through RGA.

15. Texas law prohibits a political committee such as the Perry Campaign from accepting a contribution from an out-of-state committee unless the committee has sought information from the out-of-state committee verifying its legal existence and other information which would allow for voters to obtain information about the out-of-state committee's contributions. TEX. ELEC. CODE § 253.032.

16. The Perry Campaign did not verify the RGA bona fides. If it had, it would have found that the RGA is not a qualified political committee that could legally make contributions to it and that no information was available to the public about its contributors and expenditures as required by Texas law. Therefore, the acceptance of the RGA contribution by the Perry Campaign violated Texas law.

#### **The Republican Governors Association**

17. Although the Perry Campaign reported the \$1,000,000.00 contribution as being from the Republican Governors Association PAC, no such entity existed. The Republican Governors Association is not registered as a political committee in Texas or as a federal committee. No political committee reports disclosing this contribution were filed by the RGA prior to the 2006 General Election and, to Plaintiffs' knowledge, none have been filed since.

18. The RGA, however, is an entity that accepts contribution of funds which are intended to be used to "support the election of Republican Governors." The RGA spent many millions of dollars in state governor elections in 2006. The RGA made



expenditures which constituted contributions to Texans for Rick Perry of \$1,000,000.00. These expenditures/contributions were made with two \$500,000.00 checks dated October 26, 2006 and November 1, 2006 respectively. The Perry Campaign reports acceptance of these RGA contributions were made on October 27, 2006 and November 2, 2006 respectively.

19. These contributions were made by the RGA in violation of Texas law and the Perry Campaign's acceptance of them was also in violation of Texas law. The RGA, as an organization, constituted a political committee under Texas law. TEX. ELEC. CODE § 251.001(12) states that in Texas " 'political committee' means a group of persons that has as a principal purpose accepting political contributions or making political expenditures." The RGA has filed sworn tax reports that it "supports the elections of Republican Governors and other nonfederal candidates, promotes Republican policies, and engages in other state election activities." Further, on its sworn tax reports, the RGA list millions and millions of dollars spent to make contributions to political campaigns and candidates including the \$1,000,000.00 Perry Campaign contribution at issue here, along with millions of dollars in contributions it received from corporations.

20. The RGA as a political committee was likely an "out-of-state political committee" as defined by § 251.001(15) of the Election Code. If it made more than 20% of its entire political expenditures in Texas races, it would be an in-state committee. That is unlikely. Texas regulates both out-of-state and in-state committees. For instance, neither type of committee may accept contributions from corporations or labor unions except for the limited purpose of paying the committees overhead expenses.

Both types of committees must file periodic reports of these contributions and expenditures. An out-of-state political committee must file all of its contributions and expenditures in much the same manner as an in-state committee. TEX. ELEC. CODE § 254.1581. The RGA made no filings in Texas to comply with Texas law.

## **VII.**

### **Causes of Action**

#### **A. Illegal Contributions and Expenditures**

Pursuant to § 253.131 of the Election Code, a person who knowingly makes or accepts a campaign contribution or makes a campaign expenditure in violation of the Election Code is civilly liable to candidates that were opposed with these contributions or expenditures for twice the value of the unlawful contribution or expenditure.

The Perry Campaign's acceptance of the RGA's contributions without complying with TEX. ELEC. CODE § 253.032 was in violation of Texas law. The contribution could not be legally accepted.

The RGA as a nonqualified out-of-state political committee could not legally make the \$1,000,000.00 contribution to the Perry Campaign. TEX. ELEC. CODE § 253.032. Second, the RGA was a political committee under Texas law and accepted corporate contributions in violation of TEX. ELEC. CODE § 253.093.

#### **B. Failure to Comply with Reporting Laws**

Pursuant to § 254.231 of the Election Code, a candidate is able to recover twice the amount of any campaign contributions or campaign expenditures that were not reported in violation of the Election Code.

The Perry Campaign's reporting of the \$1,000,000.00 contribution as being from the Republican Governors Association PAC was in violation of Texas law as no qualified political committee by that name made the contribution. TEX. ELEC. CODE § 254.031.

The RGA did not report the \$1,000,000.00 contribution to the Perry Campaign or file the disclosure report required by TEX. ELEC. CODE § 254.1581.

### **VIII.**

#### **Attorney's Fees**

Pursuant to §§ 253.131(e) and 254.231(d), Plaintiffs seek recovery of their reasonable attorney's fees.

### **IX.**

Plaintiffs demand a jury trial and have tendered any required fee.

#### **Prayer**

Plaintiffs Chris Bell and the Clean Government Advocates for Chris Bell request this Court to award them damages and reasonable attorney's fees as provided by §§ 253.131 and 254.231 of the Election Code and for other and further relief to which they may show themselves entitled.

Respectfully submitted,

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**GOVERNMENT ADVOCATES FOR**

**CHRIS BELL**

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