

## **Bob Perry**

### Cash and carry legislation

Homebuilder Bob Perry: Supreme Court Justice for sale.

Bob Perry and his donations to a Supreme Court Justice just before his own case comes to court.

Wealthy Houston homebuilder Bob Perry used campaign contributions to rewrite the rulebook in Austin, TX. He sold out consumer protection for homeowners by stacking the Texas Residential Construction Commission with appointees by Governor Rick Perry from the construction industry

"Bob Perry is the reason for many of the ills that plague homeowners and consumers in this state. His money has allowed him unprecedented access to the legislature and to our courts and he has used that access to feather his own nest and make life a living hell for a lot of folks in Texas."

Alex Winslow, Executive Director of the nonprofit consumer group Texas Watch

For example, Governor Rick Perry took \$690,000 donation from homebuilder Bob Perry (Perry Homes -- no relation) and appointed Perry Homes attorney, John Krush to the Commission. Former Comptroller Carole Strayhorn thought it was such a joke that she called for the abolition of the commission and welcomed a legal challenge by the Attorney General.

James Shannon, Journalist:

A national radio audience got an introduction to Perry when National Public Radio's Weekend Edition aired a two-part report by Wade Goodwyn documenting a system that favors homebuilders over homeowners so disproportionately that many shocked listeners viewed it as a national scandal. In Texas, however, it passes for business as usual.

The story of how Perry used campaign cash to rewrite the rulebook in Austin is either a glorious account of one man's quest to spread his own ideas or a cautionary tale about the abuse of power, depending on your perspective.

With no relationship to Gov. Rick Perry other than the hundreds of thousands of dollars in contributions he's given Gov. Perry since he succeeded George W. Bush in the governor's mansion. Bob Perry lavished millions of dollars to further his political agenda over the past two decades in Texas and beyond, remarkable even in a state known for wheeler-dealers in the backrooms of government. Although he has never held public office, Perry is among the most powerful political figures in Texas history.

Who is Bob Perry?

Perry has the resources to press his legislative aims. He has been a major funder of the Republican Party and played a role in the ascent of George W. Bush. In 2004, he facilitated the Bush campaign's evisceration of Democratic presidential nominee Sen. John Kerry as the largest contributor to the Swift Boat Veterans For Truth, a group who spread lies and half-truths about Kerry in a matter so shameless that President Bush said they should stop - AFTER the damage was done.

According to a report from Texans for Public Justice, which tracks campaign contributions, since 2006 Perry has contributed more than \$21 million to candidates and judges in the state - including the nine Republican justices of the Texas Supreme Court.

The NPR report documented the case of Bob and Jane Cull, a retirement-age couple who purchased a house from Bob Perry Homes in a Dallas suburb over 13 years ago. Weeks after moving in, they discovered foundation problems that dislocated walls and roof supports. In those days before the TRCC, they took their case to an arbitrator who sided with the Culls, ordering Perry Homes to pay \$800,000 in damages and retake ownership of the house.

**Perry appealed and appealed, and six years later, the \$800,000 award was thrown out by the Texas Supreme Court, who disallowed arbitration and sent the case back to the lower courts. Between the time the Cull's case was filed and the decision finally overturned, a number of Supreme Court justices were elected with Bob Perry's help.**

Carl Parker, a former state senator from Port Arthur who served 32 years in the Texas Legislature, said the result was no accident.

"The best money he spent probably was not with the Legislature but with the Supreme Court, because they have done what the Legislature has not been able to do. They have diminished the role of juries far more than the Legislature was able to do," said Parker. Since the advent of what some refer to as the **"Perry Court," the Texas Supreme Court has overturned 72 percent of jury verdicts in the cases that it hears.**

These reversals of fortune for plaintiffs who receive favorable verdicts from Texas juries have implications that extend far beyond unhappy new home buyers.

According to Winslow, "Bob Perry's influence goes beyond just the TRCC. **He has heavily supported efforts to strip Texans of their legal rights, their ability to get to court.** He bankrolls organizations like **Texans for Lawsuit Reforms** and others who have far reaching influence with regard to insurance protection for consumers and the ability to hold pharmaceutical companies and bad doctors accountable in court. **It's almost incalculable the effect that his money has had on the process and what it means for Texas families. I mean, it is that influential.**"

Texas, Our Texas

While his national campaign contributions have almost exclusively favored Republicans, Perry has been more pragmatic in spreading his largesse around in Texas.

Dr. Richard Murray is a political scientist who directs the Center for Public Policy at the University of Houston. A long-time observer of the Texas political scene, he watched the rise of Bob Perry with a certain fascination.

"I think he's got the 'money's like manure - spread it around' idea, and he invests in a lot of people on the way up, like Rick Noriega," said Murray, referring to the unsuccessful Democratic nominee who challenged Sen. John Cornyn. "That doesn't mean he will back you when you run against one of his favorites. He gives a lot of money in city races (in Houston)."

Murray cites the TRCC as almost a case study in the application of an overwhelming cash advantage.

"We talk about the triangle of government, like the defense contractors, the relevant committee and the military bureaucracy and the idea that the regulatory agencies are captured over time by the entities that they regulate," said Murray. **"But with this deal, they weren't captured - Perry created them.** It wasn't like the Securities and Exchange Commission that was

created in the 1930s and by 2000 had been pretty thoroughly taken over by Wall Street. **This was not capture; this was creation. They were in his pocket from day one.**"

According to Murray, **a key to understanding Perry is charting where his self-interest lies.**

"Perry isn't an office holder, so he's not distributing benefits; he's a benefits seeker par excellence and I think he has long since discovered that, even if he didn't have his homebuilding industry, he has direct interests that the government can greatly affect in terms of tort and other areas," observed Murray. "I think he's an ideological conservative and he likes giving the money away any way. It makes him a somebody and he's generous in other regards; he does a lot of scholarship support, so he's a philanthropic type, but he makes investments that are mutually beneficial as well as ideologically consistent."

With many campaign contributions, there are unspoken understandings in place, and both the giver and receiver are reluctant to express specific demands to vote for Bill A in return for a contribution - which would be a violation of the law.

"I don't think he's got a quid pro quo, but by putting in so much money you don't have to remind members," explained Murray. "They just know if they cross a certain line, that money is going to go away. I think he makes it pretty clear the issues that he really does care about."

The perils of crossing such an influential backer are well known. "In the Senate, those races are so expensive that one donor wouldn't make that much difference," said Murray. "But in the House, where you have people putting in \$100,000 or \$200,000 in a single race, that's pretty frightening if you're a member."

Sunset for the TRCC?

Many Austin observers will tell you the most naked exercise of Perry power is still the Texas Residential Construction Commission, which had the effect of putting home buyers like the Hardys in a proverbial box.

The bill creating TRCC was written not by a member of the legislature but by a lawyer employed by Bob Perry, a logical extension of the GOP "cash and carry" government espoused most famously in Washington by Texas Congressman Tom Delay. The early reviews for TRCC were not glowing, to say the least, and soon got much worse.

Murray put it simply. "I tell my friends don't buy a new home in Texas; you've got no recourse if the building has got serious problems," he said. "The builder can simply string it out and almost **everybody ends up walking away because they run out of time and money.**"

In a January 2006 report from state Comptroller Carole Keeton Rylander, she observed that TRCC was created as a mechanism to resolve disputes between owners and builders.

"In a homeowner survey conducted by my office, I found that 86 percent of homeowners who responded said their builder failed to fix construction defects in their homes. And that was after going through the mandated State Sponsored Inspection and Dispute Resolution process that verified the defects," the report noted, then observed with dismay that TRCC has "no statutory authority to hold builders accountable for shoddy building practices."

In a blistering conclusion, she declared "It is clear that **the agency functions as a builder protection agency**" and concluded by saying "If it were up to me personally, I would blast this TRCC builder-protection agency off the bureaucratic books."

Keep in mind that Keeton-Rylander is a Republican and winner of statewide races where she was supported by Perry. Her view of TRCC was widely shared by many members of the legislature, and three years later when the agency was up for sunset review, the staff of the Sunset Commission echoed her conclusion and recommended that TRCC be abolished.

That made it all the more remarkable when the commission unanimously voted to overturn the recommendation of their own staff, paving the way for the likely renewal of the troubled agency before the end of the session.

"It's a done deal," said Parker. "You can look and see how much money he gave to people who are on the Sunset Commission. The Commission staff said it's not doing any good. It's helping the bad guys instead of the poor folks trying to get their homes fixed. But the politicians on the commission rejected the staff proposal in a 10 to nothing vote. They just overturned it."

With the ouster of key Perry ally, **Tom Craddick as Speaker of the House**, (now former) it appears that the homebuilder's influence might be on the wane - but don't count him out just yet. **An analysis of campaign finance records indicate Perry has given money to 103 members of the 150 in the Texas House, and has also given to 28 of the 31 senators.**

**As previously noted, all nine members of the Texas Supreme Court have gotten contributions.**

Murray also notes a tactical advantage that may allow Perry to retain disproportionate power with his influence in gradual decline. "He's more or less in a defensive posture," said Murray. "He's gotten most of what he wants legislatively. He just doesn't want anybody rolling stuff back, so that's a very good position to be in where you can just deep six stuff at the end. Top to bottom, things are wired and even if the Democrats were to take over, Perry would not be as powerful but would still be extraordinarily influential. He's just given so much money across the aisle."

When pressed, Murray mused aloud about the seemingly contradictory Perry.

"He's a straight ideologue," said the veteran political scientist. "Apparently personally he's a nice guy and does give a fair amount of money to non-political good things, scholarships and so forth. He's a backer of this university of the Mexican-American Studies Center, so I think he's always looking to make these investments figuring that down the road they'll pay off."

Perry is an enigmatic political fixer. "That's part of the deal with Bob Perry. He is in many ways an unknown entity; he never appears in public," said Winslow.

"Last week, he happened to come to the capitol and had some closed-door meetings and reporters were searching the hallways to find him just to see what he looks like. Nobody ever sees him; he never speaks to the press. There are a lot of legislators that have taken money from him - and not insignificant amounts of money - who say they've never talked to the man. He has been content to let his money do his speaking for him in many cases and so far, has been wildly successful in that."