

Getting in Good With Tom and Christine

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by Peter H. Stone

In 1998, as the DeLay Foundation for Kids was gaining name recognition in Washington and accelerating its fundraising efforts, lobbyists began lining up for the chance to play in the charity's annual golf tournament.

That spring, an eclectic group of golfers waited to tee off at the posh Woodlands Resort and Conference Center just outside of Houston. Among the group were some 10 politicians and businessmen from the Commonwealth of the Northern Mariana Islands, a representative from the Chitimacha Tribe of Louisiana, and a wealthy businessman from Puerto Rico named Hernan Franco.

The Marianas, the Chitimacha tribe, and a group of Puerto Rican businessmen had one thing in common: All were clients then, or shortly afterward, of lobbyist Jack Abramoff, who was a star rainmaker at Preston Gates Ellis & Rouvelas Meeds and a good buddy of House Majority Leader Tom DeLay, R-Texas, who was then majority whip. As DeLay's friend, Abramoff wanted to help boost the foundation, which DeLay and his wife, Christine, created in 1986 to assist abused and neglected children. Some of Abramoff's clients gave as much as \$25,000 to attend the event at Woodlands seven years ago.

Moreover, as a lobbyist with multiple interests in Washington, Abramoff wanted to do more. His effort on the charity's behalf was part of a full-court press that over the years resulted in the raising of hundreds of thousands of dollars for DeLay's pet projects, both political and personal. "Jack was trying to stay close and supportive of DeLay," said a former House leadership aide. For Abramoff, getting clients to donate money to the foundation was "a no-brainer," the former aide said.

Another lobbyist close to DeLay said that anyone who wanted to impress Christine would take a strong interest in the foundation. "If you want to have a good relationship with Tom, you need a good relationship with Christine," the lobbyist said.

To be sure, Abramoff's clients in 1998 had every reason to stay on DeLay's good side, because the majority whip had already shown himself to be a key supporter of some of their interests in Washington.

Just a few months before the 1998 Woodlands event, for example, the DeLays and Ed Buckham, who was DeLay's chief of staff, took a junket to the Marianas, a U.S. protectorate in the western Pacific Ocean. After returning to Washington, DeLay indicated he would continue to

fight any legislation aimed at ending the Marianas' exemption from U.S. minimum-wage laws. Keeping the exemption was a top priority for the island government-an Abramoff client-and its domestic garment industry, which depends on low-wage immigrant workers from Asia.

In March 1998, DeLay had also voted to give Puerto Rico the right to hold a referendum on whether it should seek to become the 51st state, a key goal of Franco, who was one of the Puerto Rican businessmen represented by Abramoff.

Another Abramoff client, the Mississippi Choctaws, who sources say gave the foundation \$25,000 a year for several years, benefited greatly in 1995 and 1997 when DeLay helped to block bills that would have taxed Indian gambling revenues.

Two other Abramoff-represented Indian tribes with casinos -- the Louisiana Coushattas and the Agua Caliente of California -- later also helped the DeLay foundation by donating a total of \$22,500 in 2001 and '02. Abramoff is the subject of a federal fraud and tax investigation related to tens of millions of dollars in fees that several Indian tribes with casinos paid him over several years.

Critics say that the donations by Abramoff's clients to the DeLay foundation show how special interests can use politician-sponsored charities to make large donations to advance their causes.

Rick Cohen, the executive director of the National Committee for Responsive Philanthropy, said that the practice "underscores the potential, if not actual, abuse of a nonprofit form. In this circumstance, the DeLay foundation becomes a venue for circumventing campaign finance and political lobbying regulations and disclosures." Fred Wertheimer, the president of Democracy 21, said, "DeLay was taking care of Abramoff's lobbying clients, and Abramoff was taking care of DeLay's interests."

DeLay spokesman Dan Allen rejected any suggestion that DeLay's votes were tied to donations from Abramoff's clients. "Everyone knows that Congressman DeLay makes voting decisions based on the merits of each piece of legislation as it comes forward," Allen said.

Criticism aside, the foundation's goals are consistent with values that have long been espoused by Tom and Christine DeLay. The DeLays helped to raise three foster children.

The foundation's current major project is the construction of eight homes, a gymnasium, a chapel, and other facilities on a planned 50-acre community of permanent homes for foster children and their foster parents in the Rio Bend area of Richmond, Texas. The project is being built by construction mogul Bob Perry of Houston, who was a key financier of Swift Boat Veterans for Truth, the group that played a high-profile role last year in attacking Sen. John Kerry, D-Mass., during the presidential campaign. Perry has also contributed to DeLay's political action committee, Americans for a Republican Majority.

For the DeLay Foundation for Kids, the annual golf tournament has been its top source of income. Since fiscal 1999, the foundation has earned about \$7 million from the annual event. (In fiscal 2004, the foundation raised \$2.2 million and spent \$2.4 million, the lion's share going to the Rio Bend project, and it ended the year with assets of \$3.7 million, according to its most

recent filing with the Internal Revenue Service.)

Some longtime donors say they give to the foundation for its charitable works. "We thought it was a good cause, and it is a good cause," said Tommy Payne, executive vice president for external affairs for Reynolds American, the parent company of R.J. Reynolds Tobacco, which has been close to DeLay for many years because of his anti-tax, anti-regulation stances.

Yet for lobbyists, the foundation offers a way to build ties with DeLay. Buckham's experience is one example. When he attended the golf outing in 1998, Buckham had just left DeLay's office as chief of staff to launch his own lobbying practice, the Alexander Strategy Group. Abramoff, who was already a rising star on K Street, was throwing some work Buckham's way in the form of grassroots and communications contracts for the Marianas and the Choctaws. During the 1998 tournament, according to one attendee, Buckham shepherded Marianas representatives to events, including an evening reception with the DeLays.

Since that time, the Alexander Strategy Group has built an impressive lobbying clientele that includes R.J. Reynolds, Fannie Mae, Freddie Mac, and United Parcel Service. All of these companies have supported the DeLay foundation. According to the foundation's 2004 filing to the IRS, lobbyists Duane Duncan of Fannie Mae and Marcel Dubois of UPS are members of the foundation's board. A lobbyist familiar with the board when it was established said that generally people were put on the board to "lock them in as donors," typically at \$25,000 a year.

One DeLay ally said that Abramoff and Buckham seemed to view the foundation as a vehicle partly to boost their personal ties with the Texan. "Buckham and Abramoff knew that if they kept Christine happy, and, by extension, Tom happy, they could continue to have unfettered access to DeLay's office," said this source. "The charity was a key avenue for their clients to put financial resources into DeLay Inc."

Under federal law, the DeLay foundation is not required to disclose the names of its donors, and it does not do so voluntarily. But according to news reports, ExxonMobil and AT&T have each donated \$50,000, and the Corrections Corporation of America, which manages federal prisons, gave \$100,000 last year.

Some fundraisers for DeLay's political operations have also raised money for the foundation. For instance, Craig Richardson, a longtime fundraiser for DeLay's campaigns, has helped run the charity golf tournaments for a number of years. "Each entity pays me separately for the specific work I perform on their behalf," Richardson said. Similarly, the online publication Salon reported earlier this month that Warren Robold, a top fundraiser for DeLay's political action committee Texans for a Republican Majority, was also paid \$50,000 a few years ago to raise money for the charity. Robold has been indicted in Texas on charges of violating state campaign finance laws.

Moreover, such foundation donors as R.J. Reynolds have poured tens of thousands of dollars into ARMPAC, as well as into a DeLay legal defense fund to support the politically embattled majority leader. "DeLay is anti-tax and anti-regulation, and we support that point of view," said Payne.

Larry Noble, the former general counsel at the Federal Election Commission who runs the Center for Responsive Politics, says that the entire setup troubles him. "When you have campaign people fundraising for the charity, it further reinforces the idea in the minds of donors that this is all about Tom," Noble said. "I think what DeLay has put together is a fundraising machine that involves his political campaign, his PAC, and his charity. As far as contributors are concerned, they're just giving to DeLay."

Indeed, some of Abramoff's clients, who received special attention during the charity golfing events and in Washington, seemed to get this impression.

A top executive in the Marianas garment industry, Ben Fitiaf, thanked Buckham and DeLay in an April 1997 e-mail to Buckham for the hospitality they extended at the Woodlands tournament and during a visit to DeLay's office in Washington a few days later to talk about legislative issues that Abramoff was pressing for the islands. Fitiaf wrote to Buckham, who was still DeLay's chief of staff, that DeLay had been generous enough to "allow our group to virtually take over his office," and concluded that the majority whip also "was happy after the golf tournament because he beat me by one stroke."