



OFFICE OF THE DISTRICT ATTORNEY

P.O. Box 1748 Austin, TX 78767

e-mail: district.attorney@co.travis.tx.us

Telephone 512-854-9400

Fax 512-854-9534

RONALD EARLE
DISTRICT ATTORNEY

ROSEMARY LEHMBERG
FIRST ASSISTANT

For Immediate Release

October 21, 2008

Contact: Gregg Cox
512-854-9530

Travis County District Attorney Ronald Earle today issued the following statement:

The criminal cases against the Texas Association of Business (TAB) were resolved today by a guilty plea and imposition of the maximum fine for the offense of which TAB was convicted.

The court action today ends the investigation that began shortly after the November 2002 elections. At that time media reports revealed that the Texas Association of Business, a corporation, had raised money from other corporations to fund a campaign relating to elections for the Texas Legislature.

In the course of that investigation, we discovered that TAB had also used its corporate resources to support the efforts of Bill Hammond, TAB's president, and other TAB employees to travel the state and campaign for candidates.

Texas law prohibits the use of corporate resources to finance political activity supporting candidates for elective office. The charge TAB was convicted of today relates to TAB's illegal use of corporate resources to assist candidates.

The political process in Texas is designed for participation by individual persons, not corporations, and it is critical that the value of the individual citizen in that process not be diminished by illegal corporate influence.

The law in Texas is clear: Texas citizens, the people of Texas, are entitled to a voice in democracy; corporations are not, just as they are not entitled to vote.

This basic rule of law must be followed by everyone involved in the electoral process in Texas. Anyone in the corporate world, including trade associations that receive any corporate funds, that wishes to be involved in the process of electing candidates to public office at any level in this State should be aware of the restrictions on corporate involvement.

During the pretrial litigation on the various indictments, TAB has claimed that Texas law is vague and confusing and that they did not understand parts of it. The Texas prohibition on corporate involvement in political activity is clear, as evidenced by the fact that it has stood without challenge for virtually a century.

- MORE -

Here is an outline of some of the basic legal principles and guidelines that this office observes and will continue to observe as the standard of conduct expected of corporations under the jurisdiction of the Office of the District Attorney in Travis County, Texas.

Principles

- Texas law has prohibited corporate political involvement in campaigns since 1903, and the Texas Legislature has not chosen to relax this prohibition other than in limited circumstances for limited audiences.
- While other states may have chosen to allow some form of limited corporate contributions, there is no exception in Texas law for corporate employees or resources to be used to benefit campaigns for public office other than communications to a corporation's own restricted class.
- Under the law in Texas, there is no exception for de minimus activity funded by corporate resources. Any use of corporate resources of any nature to benefit a campaign for public office is a violation of the corporate prohibition, including the use of corporate facilities, corporate property, corporate employees or corporate expense reimbursement.
- Any use of corporate resources to benefit a political action committee, other than for expenditures for the formation, administration or permissible class solicitation allowed by Chapter 253.100 of the Texas Election Code is prohibited.
- Any corporate employee that wishes to donate his or her personal services to a candidate or political action committee must do so on his or her own personal time, which should be noted in advance and clearly documented in corporate records.
- A corporation may not reimburse the expenses of a corporate employee who has taken personal time to engage in campaign activities.

The law is clear that corporate involvement in campaigns for public office in any manner is strictly prohibited.

We recognize that the Texas Association of Business is an important organization with a long-standing history of representing Texas employers. However, we consider TAB's actions related to the 2002 elections to be reprehensible. We strongly disagree with and do not consider legitimate their position on the legality of their actions.

The rule of law enshrines the principle that people should choose their leaders, not corporations.