

TEXAS HOUSE OF REPRESENTATIVES

CAPITOL OFFICE:
P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0740
EMAIL: LON.BURNAM@HOUSE.STATE.TX.US



DISTRICT OFFICE:
1305 W. MAGNOLIA, SUITE C
FORT WORTH, TEXAS 76104
817-924-1997

LON BURNAM DISTRICT 90 • FORT WORTH

January 5, 2007

The Honorable Ronnie Earle
Travis County District Attorney
509 W. 11th St.
Austin, TX 78701
[Via fax and mail]

District Attorney Earle:

I am writing to request that you immediately open an investigation into the business practices of the current Speaker of the Texas House, Tom Craddick. I believe he is using his public office for his own personal monetary gain.

Specifically, an entity owned by Mr. Craddick is collecting rent from a state contractor who has been paid tens of millions of taxpayer dollars for various projects in the state. This type of financial arrangement—**where an elected official in a position of power is deriving income from a state contractor**—simply does not pass the smell test.

To aid with your investigation, I am providing you with the following set of facts and preliminary research.

According to Mr. Craddick's most recent personal financial disclosure, he has a "beneficial interest" in an entity called "2000 Rollingwood, LTD." Mr. Craddick's disclosure form states that this entity owns 4.871 acres of land in Travis County.ⁱ

According to a form filed on September 20, 2005, with the Texas Secretary of State, "The 2000 Rollingwood, LTD partnership should be cancelled as a result of the assets being transferred to Rollingwood Mira Vista, LTD." **Thus, Mr. Craddick has a "beneficial interest" in Rollingwood Mira Vista, LTD.** (Daniel Herd, a general partner in Live Oak Development, Inc., was the signatory to this document.ⁱⁱ)

According to the Travis Central Appraisal District, "Rollingwood Mira Vista Ltd" owns a \$20+ million commercial building located at 2705 Bee Caves Road in Austin, Texas (LOT 3 BLK A DELLANA ROLLINGWOOD COMMERCIAL SUBD). The mailing address for Rollingwood Mira Vista is "c/o Live Oak Development Inc., 2630 Exposition Blvd., Suite 203, Austin, Texas, 78703-1763".ⁱⁱⁱ **This paper trail proves that Mr. Craddick has a "beneficial interest" in the aforementioned commercial building located at 2705 Bee Caves.**

What makes Mr. Craddick's "beneficial interest" in this particular commercial building corrupt at best—illegal at worst—is the fact that **the entire top floor of the building is being rented by a state contractor to whom the State of Texas has paid tens of millions of dollars.** In his current position as Speaker of the Texas House, Mr. Craddick has a unique ability to exert undue influence on state contracts. The income Mr. Craddick derives from a state contractor should immediately be stopped.

According to a press release available on the website of Carter and Burgess, "*Carter & Burgess recently signed a seven-year lease agreement with Live Oak Development to be the lead tenant in its planned \$22 million, 125,000-sq.-ft. office development at 2705 Bee Caves Rd. in Rollingwood. Upon completion in February 2002, the full-service, architectural/engineering/construction management firm will occupy 60,600 square feet of the facility, including the top floor, part of the second and one office on the first floor, which will accommodate its field survey department.*"^{iv}

According to the Comptroller of Public Accounts, **the State of Texas, mostly through the Texas Department of Transportation, paid Carter and Burgess more than \$23,000,000 in 2006, while Mr. Craddick was Speaker of the Texas House.** While Carter and Burgess has been putting tens of millions of state tax dollars in one pocket, they've been paying an entity owned by the Speaker of the House rent out of their other pocket. The Speaker of the Texas House simply cannot be allowed to continue lining his pockets with rental income from a state contractor.^v

Of the millions of square feet of office space available in Austin, Texas, it is simply unreasonable to assume that a multi-million dollar state contractor coincidentally chose to office in a building that just happened to be owned by an extremely powerful elected official—an elected official who unquestionably has the power to aid in obtaining state contracts.

This is the most recent example of a long and disturbing pattern of corrupt and unethical behavior by Mr. Craddick. I know your file on Mr. Craddick is extremely robust from your investigation (and subsequent indictments) of Tom DeLay, TAB and TRMPAC. However, using an elected office for your own personal gain is perhaps an even more egregious violation of the public trust.

I hope you will immediately open an investigation into these business dealings of Mr. Craddick. No public official in a position of power should be allowed to use their position of power to enrich their own business via a state contractor. Please do not hesitate to contact me should you have any questions.

Sincerely,



Lon Burnam

ⁱ See enclosed page from Tom Craddick's most recent personal financial disclosure form

ⁱⁱ See enclosed document from the Secretary of State's Office

ⁱⁱⁱ Available at <http://www.traviscad.org/travisdetail.php?theKey=494912>

^{iv} Available at http://www.c-b.com/news/story_news.asp?ArticleNum=277&v=5

^v See enclosed document from the Comptroller of Public Accounts