THE MONEY BEHIND EMPOWER TEXANS:

How Private Equity and the Fossil Fuel Industry are Propping up the Texas Far Right
I. Introduction

Over the past decade, a conservative political project known as Empower Texans has become a major force in Texas politics. Funded primarily by a small group of billionaires, Empower Texans has sought to push Texas politics further to the right - an effort that has included backing primary challenges to incumbent Republican officials deemed insufficiently conservative. Empower Texans has used millions of dollars in campaign cash to advance a politics that is both economically libertarian - against taxes and regulation - and socially conservative - opposed to same-sex marriage, abortion rights, and trans equality, and supportive of public school prayer. Its leaders - in particular, its main funder Tim Dunn and its CEO Michael Quinn Sullivan - have developed close relationships with top officials in the state.

The political agenda and influence of Empower Texans are widely known in Texas, and a host of news stories exist that profile the evangelical oil and gas billionaires who fund the project. But what’s less known are the details on who and what helps to prop up these Empower Texans billionaires - the investors across the U.S. who, perhaps unwittingly, fund the fortunes that the leaders of Empower Texans use to advance their ultra-conservative agenda that aims to weaken public oversight, destroy the public sector, strengthen the power of the wealthy, and promote a host of discriminatory and bigoted social policies.

This report profiles the key players behind Empower Texans and, for the first time, presents the investors that are helping to keep Empower Texans afloat. The report recommends that investors such as the California Public Employees’ Retirement System, the University of Michigan, Michigan State University, and others review their decisions to invest in funds that finance the business operations of the key backers of Empower Texans - investments that are, in effect, helping to prop up the fortunes that individuals like Tim Dunn use to push their far-right agenda in Texas.
Key findings of the report include:

- **Empower Texans is primarily funded by profits from the Texas oil and gas industry.** The bulk of Empower Texans' funds come from the fortunes of a few billionaires who made their wealth running businesses tied to the oil and gas industry in the Texas Permian Basin region. In particular, Tim Dunn, founder of CrownQuest Operating, and Dan and Farris Wilks, founders of Frac Tech (which they sold in 2011), provide the overwhelming majority of funding to Empower Texans. Kyle Stallings and David Mayes Middleton II also run oil-related businesses, while Dick Saulsbury's engineering and construction company works closely with oil and gas operations.

- **Private equity plays a key role in financing the billionaires behind Empower Texans.** A host of private equity firms provide hundreds of millions in funding to prop up the business operations of some of the primary backers of Empower Texans. Tim Dunn's CrownQuest particularly stands out in this regard - CrownQuest is primarily devoted to managing the operations of oil and gas producer CrownRock, which is financed by Lime Rock Partners, a private equity firm based in Connecticut and Houston. Magnetar Capital and EIG Global Energy Partners are also investors in CrownRock. Saulsbury Industries, owned by Empower Texans funder Dick Saulsbury, also appears to have private equity investors, though their identities are unknown. All this comes amidst increasing alarm over a Wall Street-financed debt bubble that is propping up the fracking industry's field operations even as that industry fails to turn a profit and well productivity may be overestimated - making fracking, along with its destructive environmental impact, potentially a bad financial choice for investors.

- **State pension funds, foundations & universities across the U.S. are effectively funding Empower Texans' far-right agenda through their investments.** A host of institutions across the U.S. that include public retirement funds from far-flung states, state university endowments, and social and cultural foundations invest tens of millions in the business empires of Empower Texans' primary backers. For example, the California Public Employees Retirement System (CalPERS), the University of Michigan, and Michigan State University have tens of millions invested in a fund that primarily finances Tim Dunn's business operations, and it is likely that up to a dozen other pension funds and foundations that PAI identified also invest in the fund that props up Dunn. CalPERS is also the sixth largest investor in Approach Resources - an oil and gas firm of which the Wilks brothers are 48.3% shareholders.

- **The backers of Empower Texans are also plugged into national far-right networks and conservative evangelical causes.** The funders of Empower Texans profiled here are also driving forces within a larger network of conservative groups in Texas, as well tied to major right-wing groups nationally. Both Tim Dunn and Kyle Stallings are on the boards of the First Liberty Institute, a conservative legal group in Texas, and the Texas Public Policy Foundation, a conservative think tank in Texas that is part of the State Policy Network, the Koch-backed national alliance of far-right think tanks. Dunn, the Wilks brothers, the Saulsburys, Middleton, and Stallings are also big funders of anti-choice and evangelical efforts like the Texas Right To Life PAC and Texas Home School Coalition PAC. The Wilks have given to national conservative groups like the Family Research Council, Focus on the Family, and the Heritage Foundation.
Empower Texans is a conservative political project that aims to move the Texas Republican Party, and Texas politics more broadly, to the far right. It is primarily funded and driven by a set of evangelical oil and gas billionaires - most prominently, Tim Dunn and brothers Dan and Farris Wilks. It pushes a dual agenda in Texas that is deeply pro-corporate and socially conservative - advocating against taxes and business regulation, as well as abortion rights, same-sex marriage, and trans rights, for example. It has showered conservative Texas politicians with millions of dollars, and its main backers have personally given millions more.

Empower Texans was founded in 2006 by Texas oil and gas billionaire and conservative evangelical Tim Dunn. The project is dominated by Dunn - one Texas GOP consultant went so far as to call Empower Texans “a special interest agenda of one person.” Today, Dunn still chairs the boards of Empower Texans and its “premier project,” Texans for Fiscal Responsibility. (We profile Dunn’s worldview and business career below). Dunn chose Michael Quinn Sullivan, a former press secretary for Ron Paul and former vice president of the conservative Texas Public Policy Foundation, to lead the organization as CEO. One news report notes that Sullivan, who it calls “Dunn’s right-hand man,” is often at the state capitol, acting as “a lawmaker whisperer, advising members of the House Freedom Caucus—a bloc of hard-line conservatives—on how to vote and what amendments to offer.” Today, both Dunn and Sullivan are considered two of the most powerful unelected players in Texas politics.

Empower Texans is primarily financed by a small handful of billionaires and multi-millionaires. Since 2008, Tim Dunn and the Wilkses alone have given $10,094,500 to Empower Texans PAC, according to the Texas Ethics Commission. Kyle Stallings, Dick and Amelia Saulsbury, and David Mayes Middleton II have given the PAC a combined $1,116,500 in that same time. According to Texas Monthly, “Dunn and four wealthy oil families have openly donated 95 percent of the $11.4 million raised by the Empower Texans PAC since 2010.”

Empower Texans operates through several different fronts to influence Texas politics. One is donations to politicians and causes it supports. Empower Texans PAC is a political action committee whose donors are publicly disclosed, while Texans for Fiscal Responsibility is a dark money group who donors are kept private. The Empower Texans network supports conservative candidates for the Texas legislature, and it has flooded money into Texas state races - for example, it poured $2.5 million into 2014 Texas GOP primaries, and $2.3 million into the 2018 races (Texas’s list of total 2018 spending by PACs shows that, in total, Empower Texans PAC spent

The Money Behind Empower Texans

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$5,458,874 all together and Texans for Fiscal Responsibility spent $619,933 - and this is apart from major personal donations from Empower Texans’ main funders).

In total, the Empower Texans PAC alone has given over $9 million to more than 150 conservative Texas politicians and PACs since its inception. Some of the top recipients have been Dan Patrick ($857,075), Thomas McNutt ($494,019), Robert Hall ($485,243), Jonathan Stickland ($431,478), Ken Paxton ($404,570), and Konni Burton ($399,750). Dunn, the Wilks brothers, and other Empower Texans funders have personally given these politicians millions more.

Another lever of influence is Empower Texans’ Fiscal Responsibility Index, a “scorecard” that grades law makers based on the group’s conservative political criteria. The Fiscal Responsibility Index has been one of the group’s most powerful tools - according to the Texas Tribune, it “became a fixture at Tea Party gatherings,” and “Republican incumbents who draw poor grades often find themselves facing primary challengers recruited by Empower Texans or its supporters.”

In recent years, Empower Texans has adopted a strategy of primarying traditional Texas state GOP incumbents with extremely right wing candidates who share its funders’ libertarian and conservative evangelical views - in effect splitting the Texas GOP into rivaling wings. Its leaders have close relationships with a host of elected officials, including Lieutenant Governor Dan Patrick and Attorney General Ken Paxton (in 2014, Empower Texans gave almost $2 million in contributions and loans to Patrick and Paxton), as well as a number of state legislators, such as Representative Tom Craddick, who represents Dunn’s hometown of Midland. Empower Texans has retaliated against candidates it once supported who failed to vote conservative enough, and it has begun intervening in local politics, such as mayoral races.

A major focus of the backers of Empower Texans, such as Dunn and the Wilks brothers, has been opposition to abortion rights, same-sex marriage, and trans rights. Empower Texans is part of a network of far-right groups in Texas that aggressively oppose choice and, according to some reports, set up so-called “crisis pregnancy centers” that appear similar to abortion clinics but “use anti-choice propaganda to try to trick people from seeking abortion services,” according to one journalist. Empower Texans supported an anti-trans “bathroom bill” in 2017, which was ultimately defeated by Texas business interests who feared the bill would spur an economic boycott of the state. Dunn and Empower Texans also oppose same-sex marriage. Dunn personally urged Attorney General Ken Paxton to support its opponents, and the group has contributed to primarying state supreme court judges deemed insufficiently conservative.

Empower Texans backs a range of other right-wing causes. It has litigated to try to strip the Texas Ethics Commission of its power to regulate campaign finance, which would give billionaires like those who back Empower Texans even more power to influence election outcomes. It joined Attorney General Ken Paxton in targeting teacher groups that promoted voting, for which it faced a backlash. It also hosts an annual “Conservative Leaders Gala” where right wing officials across Texas gather with Empower Texans backers.
There is evidence that Empower Texans’ influence may be waning. Many of the candidates it backed in the 2018 election lost - for example, the ultra-conservative state senator Konni Burton, who received $360,000 from Empower Texans. All together, only about $485,000 of the $2.3 million Empower Texans poured in 2018 state elections went towards candidates who won their races.18

Still, Empower Texans has been making headlines in 2019. For example, it has been raising unsubstantiated alarm over widespread “voter fraud” along with an allied organization, Direct Action Texas, a Dallas/Fort Worth-area groups, registered as a for-profit LLC. With Attorney General Paxton and Governor Abbott having aligned themselves with these efforts, and with Republicans advancing new “election integrity” legislation, many voting rights advocates see the making of an attempt to restrict voting and purge voter rolls to the benefit of the state’s conservative forces.19

Furthermore, Empower Texans CEO Michael Quinn Sullivan has recently shaken up Texas politics with his revelation that he secretly recorded a meeting with Rep. Dennis Bonnen, the Speaker of the Texas House of Representatives, where Bonnen allegedly offered Empower Texans press credentials if the group challenges 10 Republicans in the 2020 primaries. Bonnen also “allegedly made disparaging comments about colleagues in the process.”20 The scandal had led to the resignation of Texas House GOP Caucus Chair Rep. Dustin Burrows, who allegedly listed the 10 Republicans to Sullivan, and to an investigation by the Texas Rangers.21
III. The Billionaires Behind Empower Texans

As mentioned, the Empower Texans project is almost entirely financed by a small handful of billionaires and multi-millionaires. In this section, we profile the five largest contributors to the Empower Texans PAC: Timothy Dunn, Dan and Farris Wilks, Kyle Stallings, Dick Saulsbury, and David Mayes Middleton II. We examine the political agendas and business operations of these figures, as well as the investors that prop up their wealth - the same wealth they use to fund Empower Texans and its far-right efforts.

<table>
<thead>
<tr>
<th>Name</th>
<th>Total donated to Empower Texans PAC since 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tim Dunn</td>
<td>$7,662,500</td>
</tr>
<tr>
<td>Dan and Farris Wilks</td>
<td>$2,432,000</td>
</tr>
<tr>
<td>Kyle Stallings</td>
<td>$448,000</td>
</tr>
<tr>
<td>Dick and Amelia Saulsbury</td>
<td>$366,000</td>
</tr>
<tr>
<td>David Mayes Middleton II</td>
<td>$302,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$11,211,000</td>
</tr>
</tbody>
</table>
i. Timothy Dunn

Dunn’s conservative causes and political giving

Tim Dunn is widely considered one of the most influential donors in Texas politics. He is the driving force behind Empower Texans and its biggest donor. He founded the group in 2006 and hired Michael Quinn Sullivan, its CEO, to lead it. Dunn serves as chairman of the board of Empower Texans and Texans for Fiscal Responsibility. Dunn has given over $7.6 million to the Empower Texans PAC since 2008, with over $3 million coming between January 2015 and October 2018.

While he is most well known for his involvement in Empower Texans, Dunn has been committed to a range of deeply conservative, libertarian, and evangelical causes since the 1990s. He has served on the board of the Texas Public Policy Foundation (TPPF) for nearly two decades and is currently vice chairman. The TPPF is part of the State Policy Network of right-wing think tanks and litigation centers funded by the Koch brothers and other big corporate interests. Dunn is also a board member of the First Liberty Institute, a conservative Christian legal group that serves as a pipeline for right-wing and evangelical judges and other officials (current Texas Attorney General Ken Paxton, a major recipient of Dunn’s money, has hired staffers from First Liberty).

Dunn opposes abortion rights, same-sex marriage, and trans rights, and he is committed to promoting private Christian education over public schools. In 1998, he founded the Midland Classical Academy, a school which offers, in the words of one profile, an “education steeped in study of the Bible and the Western canon.” He serves as a trustee of the Grace School of Theology, which describes itself as “an evangelical Christian institution of higher learning” where “a biblically based perspective is maintained.”

Dunn backs the right-wing effort to call for a convention of the states to rewrite the U.S. constitution. Dunn co-founded an organization called Citizens for Self Governance that raised $21.1 million between 2010 and 2016 to promote this effort. One of its main goals is to drastically weaken the power of the federal government so states can reverse environmental regulations, civil rights, and other laws. Dunn has also opposed limits on methane emissions and the designation of endangered species that would have threatened his drilling operations. He has consistently opposed measures to raise business taxes in Texas and once presented a plan to officials in Midland to eliminate school property taxes.

Dunn has used his oil fortune to become a huge political spender in order to advance far-right candidates and causes. Texas Monthly recently described his spending efforts:
Dunn is probably the most influential donor operating in Texas today. Since 2002, he has given at least $9.3 million in publicly reported campaign donations to Texas politicians. Federal candidates and super PACs have received $3.2 million of Dunn’s money since 2010. Quite likely, a similar amount of his money has flowed in obscurity, through a maze of nonprofit foundations, some of which he controls and many of which hide their true identity and never report their donors.31

Dunn has made at least $666,100 in federal soft money donations to Super PACs from 2011 to the present, including $100,000 to Texas ARE, a Ted Cruz PAC, in 2018.32 He has also showered numerous other federal congressional candidates from Texas and PACs focused on Texas races with thousands of dollars since 2002.33 So far in 2019, Dunn had donated $155,600 to reelect Donald Trump in 2020.34

But Dunn’s largest target for political spending has been on candidates, committees, and issues within the Texas state government. Tim and his wife Terri have spent at least $9,771,693 since 2002 intervening in Texas politics. Below are the top 10 Texas recipients of the Dunns’ donations since Empower Texans formed, based on donor search data from the Texas Ethics Commission analyzed by PAI:

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Total Amount</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empower Texans</td>
<td>$7,662,500</td>
<td>Jan 2008 - Oct 2018</td>
</tr>
<tr>
<td>Kenneth Paxton</td>
<td>$670,000</td>
<td>Dec 2014 - Oct 2018</td>
</tr>
<tr>
<td>Jonathan Stickland</td>
<td>$214,250</td>
<td>Aug 2015 - July 2018</td>
</tr>
<tr>
<td>Texas Right to Life PAC</td>
<td>$175,000</td>
<td>April 2016 - Jan 2018</td>
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<tr>
<td>Texans for Dan Patrick</td>
<td>$164,496.02</td>
<td>Jan 2014 - Oct 2018</td>
</tr>
<tr>
<td>Konni Burton</td>
<td>$127,500</td>
<td>Oct 2014 - May 2018</td>
</tr>
<tr>
<td>Texans for Greg Abbott</td>
<td>$60,000</td>
<td>Nov 2004 - Oct 2015</td>
</tr>
<tr>
<td>Ryan Sitton</td>
<td>$47,500</td>
<td>June 2014 - Oct 2017</td>
</tr>
<tr>
<td>Matthew Beebe</td>
<td>$45,000</td>
<td>May 2012 - Sept 2013</td>
</tr>
<tr>
<td>Sid Miller</td>
<td>$45,000</td>
<td>Dec 2014 - Oct 2018</td>
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Three of Dunn’s donations to Dan Patrick total $14,490.02 in airfare, including one filing that specially designated “Private Flight to Midland.”

**Dunn has used his oil fortune to become a huge political spender in order to advance far-right candidates and causes.**

**Tim Dunn, Lime Rock, and CrownRock**

Dunn is based in Midland, Texas, the capital of the oil and gas drilling boom in West Texas. After graduating from Texas Tech in 1978, Dunn began his career in the oil and gas industry, working for the Exxon Production Research Company until 1980.35 From 1980 to 1987, he was Vice President, Engineer, and Manager of Oil & Gas Portfolios for First City Bancorp, and was a founding general partner of Parker & Parsley Development where he worked from 1987 to 1995 (Parker & Parsley later became Pioneer Natural Resources).
A turning point for Dunn came in 1996, when he founded EnerQuest Resources, the oil company that would later become CrownQuest Operating LLC, an oil and gas drilling company. Dunn serves as the CEO of CrownQuest, and his sons Luke and Lee also hold executive positions with the company. CrownQuest is a major Texas oil developer based in Midland, Texas. In 2017, CrownQuest was the 30th biggest producer of oil in Texas, with nearly 6.5 million barrels for the year - which translates into roughly $335 million in gross revenue, according to Texas Monthly. CrownQuest currently operates 1088 wells, according to its website.


The closeness of the relationship between Dunn and Lime Rock cannot be overstated. According to CrownQuest’s website: “Substantially all of the time of CrownQuest’s employees is allocated to the operation of CrownRock’s properties and the provision of general and administrative services to CrownRock. In addition, CrownQuest operates approximately 98% of CrownRock’s total net wells, and the wells CrownQuest operated for CrownRock provided approximately 98% of CrownRock’s average daily production in 2018.” According to Tim Dunn’s personal website, he is the CEO of CrownRock as well as CrownQuest.

According to its website, Lime Rock’s portfolio currently consists of 25 companies, most of which carry out various oilfield operations in North America, Europe, and the United Arab Emirates. Several top Lime Rock executives have CrownRock in their portfolio highlights, including Jonathan Farber, Lime Rock’s Co-Founder and Managing Director, and J McLane, Lime Rock’s Managing Director & Chief Investment Officer.

The relationship between Lime Rock and CrownQuest is emblematic of a defining feature of the oil and gas industry: the role of private equity in financing drilling and field operations.

Wall Street has put up billions of dollars to cover the high costs of drilling operations - both oil drilling, in areas like the Permian Basin and Bakken Formation, and gas drilling in places like the Marcellus Shale Formation - in anticipation of high returns in the future. Recent reports have highlighted with increasing alarm the astounding levels of debt that the fracking industry...
has accumulated while failing to turn a profit, and the extent to which well productivity may be overestimated. All this raises the question of whether today’s horizontal drilling craze has become something of an unsustainable bubble - and an unwise choice for investors.

**Who is financing CrownRock and Tim Dunn through Lime Rock?**


A significant chunk of the investors in Lime Rock Partners IV AF - again, the fund that owns CrownRock - are outside entities such as state pension funds, and very likely universities and foundations, that probably have no idea that their investments are propping up Tim Dunn’s business operations that produce the profits he uses to fund Empower Texans.

Most of the investors in Lime Rock Partners IV AF are not yet known, but a few are. For example, the California Public Employees Retirement System (CalPERS) invested $83,686,107 in the new fund. The University of Michigan committed $26 million to the fund in May 2018, and Michigan State University has $15.6 million in the fund.
But many investors in the fund are likely the same investors from the previous fund (the University of Michigan, for example, rolled over its investments from the old fund into the new one, and CalPERS was also an investor in the old fund). \(^{51}\) Bloomberg reports that the new fund received $741 million in new commitments that came from previous investors in the old fund. \(^{52}\)

Major investors in the old fund included the State Teachers Retirement System of Ohio (STRS Ohio) with $43 million invested; \(^{53}\) the Colorado Public Employees’ Retirement Association (Colorado PERA) with $40 million invested; \(^{54}\) the Denver Employees’ Retirement Plan (DERP), with $30 million invested; \(^{55}\) and the Pennsylvania State Employees’ Retirement System, with $25 million invested. \(^{56}\)

Other investors in the old fund included several universities, such as Harvard College, \(^{57}\) the University of Chicago, \(^{58}\) Johns Hopkins University, \(^{59}\) Rice University, \(^{60}\) Reed College, \(^{61}\) the Rochester Institute of Technology, \(^{62}\) Pomona College, \(^{63}\) Carnegie Mellon University, \(^{64}\) Scripps College, \(^{65}\) and Depauw University, \(^{66}\) and philanthropic foundations such as the Rockefeller Foundation, \(^{67}\) J. Paul Getty Trust, \(^{68}\) Knight Foundation, \(^{69}\) Pritzker Foundation, \(^{70}\) and the Carnegie Corporation of New York. \(^{71}\) The Church Pension Fund, a pension fund for clergy, was also an investor in Lime Rock Partners IV LP. \(^{72}\)

Additionally, in January 2018 CrownRock announced a $475 million perpetual preferred equity investment from funds managed by Magnetar Capital and EIG Global Energy Partners, though the investors in those funds are yet unknown. \(^{73}\)

**ii. The Wilks Brothers**

*The Wilkses’ conservative causes*

Along with Tim Dunn, Dan and Farris Wilks are a second major funding source for Empower Texans and other far-right groups. The Wilkses fund their conservative causes through two foundations: the Thirteen Foundation, founded by Farris and Jo Ann Wilks, and the Heavenly Father’s Foundation, founded by Dan and Staci Wilks. According to their most recent IRS filings, the Thirteen Foundation has over $75 million in assets \(^{74}\) and the Heavenly Father’s Foundation has over $189 million in assets. \(^{75}\)

The scope of the Wilkses’ donations is huge. ReWire News reported in June 2018 that since 2010 the Wilkses have distributed an astounding $92.9 million to causes they support through their foundations - $59.5 million through the Thirteen Foundation and $33.4 million through the Heavenly Father’s Foundation. \(^{76}\) According to data compiled by *Who Owns Texas?*, from 2015 to October 2018 the Wilkses have given $2.45 million to Empower Texans PAC (32% of the total donations it received), $2.325 million to the Texas Right to Life PAC (60.9% of the total), $337,500 to the Texas Home School Coalition PAC (48.4% of the total), $600,000 to the Texans for Fiscal Responsibility
The Wilks brothers are huge donors to the pro-life movement in Texas - including to “crisis pregnancy centers,” which ReWire News describes as fake abortion clinics that pose as real clinics to lure people in and try to convince them to not get an abortion (fake abortion clinics outnumber real ones in Texas by a 10-to-1 margin). Through their two foundations, the Wilkses have reportedly given $835,000 to the Texas Right to Life Educational Foundation, $1.1 million to Heartbeat International, and $450,000 to Care Net. They have given $2.25 million to Life Dynamics, based in Denton, Texas, which reportedly trains right-wing activists to infiltrate abortion clinics and tries to convince teens to sign away their abortion rights, and they have given over $600,000 to “individual fake clinics” in Texas, according to ReWire News. Beyond Texas, the Wilkses have donated millions to national groups like the Family Research Council, Focus on the Family, Heritage Foundation, and the State Policy Network - the Koch brothers-backed national network of conservative think tanks.

The Wilkses' right-wing activism also stretches into the realm of media. They own the Daily Wire, the conservative news website led by Ben Shapiro. Also, as Sludge reporter Alex Kotch showed, the Wilkses are also the top donors to the Prager University Foundation, whose PragerU website produces Islamophobic and other right-wing videos. The Wilkses have given Prager millions and Ladd and Josh Wilks have both served on the Prager foundation’s board.

Another major wing of the Wilks brothers’ political operation comes through campaign finance. In 2015, the Wilks’ gave $15 million to Keep the Promise, a Ted Cruz-supporting Super PAC for his presidential run, and they poured millions in Texas state races in 2018. The Texas Ethics Commission shows that the Wilkses have given $9,580,377 to conservative politicians and PACs in Texas, almost all of it since 2011. The biggest Texas recipients of the Wilkses’ donations include:

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Total Amount</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Texas Right to Life PAC</td>
<td>$3,106,000</td>
<td>May 2012 - March 2018</td>
</tr>
<tr>
<td>Empower Texans PAC</td>
<td>$2,432,000</td>
<td>June 2015 - March 2018</td>
</tr>
<tr>
<td>Ken Paxton</td>
<td>$676,000</td>
<td>May 2014 - June 2017</td>
</tr>
<tr>
<td>Texas for Fiscal Responsibility PAC</td>
<td>$600,000</td>
<td>August 2018</td>
</tr>
<tr>
<td>Texas Home School Coalition PAC</td>
<td>$497,700</td>
<td>Jan 2008 - Jan 2016</td>
</tr>
<tr>
<td>Mike Lang</td>
<td>$448,472.12</td>
<td>Dec 2015 - Feb 2018</td>
</tr>
<tr>
<td>Jon Stickland</td>
<td>$273,000</td>
<td>Dec 2014 - Aug 2018</td>
</tr>
<tr>
<td>Dan Patrick</td>
<td>$250,000</td>
<td>Oct 2014 - June 2017</td>
</tr>
<tr>
<td>Robert L. Hall</td>
<td>$160,000</td>
<td>May 2014 - Oct 2017</td>
</tr>
<tr>
<td>Konni Burton</td>
<td>$147,500</td>
<td>Oct 2014 - Oct 2018</td>
</tr>
</tbody>
</table>

Since 2010 the Wilkses have distributed an astounding $92.9 million to causes they support.

The Wilkses are major shareholders of Approach Resources, Halcón Resources, and CARBO Ceramics.
The Wilks brothers also donated $90,000 to Texans for Vaccine Choice PAC, and $41,455 through five separate donations for “Airplane Use” to Governor Greg Abbott in 2014 and 2015 - presumably so that he could use their private plane. They also gave $77,500 to Briscoe Cain. $75,000 to Matthew Rinaldi, and $70,000 to Thomas McNutt.

In April 2019, the Wilks brothers gave $100,000 to the Trump Victory committee, a joint fundraising committee to reelect Donald Trump as president in 2020.

**Oil and gas businesses and investments**

The Wilks Family Office is based in Cisco, Texas, and operates Wilks Brothers, LLC and SDW Investments, LLC as investment arms. According to one SEC filing, “[t]he Wilks Family Office holds significant public and private market investments across multiple sectors, including real estate, energy lifecycle and exploration and production.”

Dan and Farris Wilks began their careers in the masonry business and founded Wilks Masonry in 1995. They entered the oil and gas industry in 2002, when they started Frac Tech, a fracking company. In 2011, the Wilks brothers sold their 68% stake in Frac Tech to a consortium of firms for a reported $3.5 billion, giving each brother a $1.4 billion net worth. Even after selling Frac Tech, the Wilks brothers remain active investors in the oil and gas industry. The Wilks family owns two U.S. oilfield service companies, ProFrac Services, formed in 2016 and run by Wilks family members, and Strata Scout Drilling.

The Wilkses also bought up major stakes in several companies in North America through their family investment firm, Wilks Brothers LLC. In 2015, they began investing in Approach Resources, a major oil and gas firm focused in the Permian Basin. In 2016, they acquired a 48.6% ownership of the company as Approach restructured its debt. According to Approach’s most recent proxy statement, the Wilkses now own 48.3% of the company’s shares.

The Wilks brothers are also the second biggest shareholders in Halcón Resources, an oil field drilling and development company focused in the Permian Basin’s Delaware Basin. As of March 22, 2019, the Wilkses owned 9.6% of Halcón shares. Additionally, the Wilks brothers own significant stakes in CARBO Ceramics (12.4%), a supplier of ceramic proppant to oil and gas wells. The Wilkses have numerous other holdings in publicly-owned companies that include Flotek Industries (4.7184%), a drilling products and services provider, and Carrizo Oil (1.988%), an oil and gas developer. They also own stakes in two Calgary, Canada-based oil and gas companies: 7.56% of the shares of Trican Well Service, and, as of July 2018, 19.95% of the shares of Calfrac Wells Services.

Private equity firms and big pension funds are also top shareholders in some of these companies. Other major shareholders in Halcón include Ares Management (12.9%) and OakTree Capital (7%), while top shareholders in Approach include BlackRock, Vanguard, and CalPERS.
The Wilkses also own huge chunks of land in the Mountain West, including at least 300,000 acres in Montana and 38,000 acres in Idaho. Some Idaho residents have been upset over the Wilkses’ hanging “No Trespassing” signs around their property over land that is traversed by roads and which the public has previously had access to for hunting and recreation, and the Wilks have been criticized for pushing an “anti-public-lands-agenda” in the Rocky Mountain West. The Wilks have donated at least $133,900 to federal races and political parties and committees in Montana, including $28,800 to the Montana Republican Party and $25,400 to Greg Gianforte in 2017, according to Federal Election Commission data. Farris and Jo Ann Wilks also gave a combined $50,000 to Gianforte’s victory fund in 2018.
iii. Kyle Stallings

While Tim Dunn and the Wilks brothers are the biggest donors to Empower Texans, there are a handful of other right-wing Texans who are influential in the project. Midland-based oil and gas executive Kyle Stallings has contributed at least $448,000 to the Empower Texans PAC since October 2015.

Oil and Gas career

Like Tim Dunn, Stallings is a Midland, Texas oilman. He founded Desert Royalty Company (DRC) almost three decades ago. DRC is an oil and gas investment company that specializes in acquiring minerals and royalties. Through DRC, Stallings owns and manages over 100,000 net royal acres across the country, including 30,000 in the Permian's Delaware Basin.¹⁰³

Stallings’ conservative causes

Stallings is not just politically connected in Texas. He is also part of influential right-wing networks at the national level. Particularly notably, he is on the executive board of the First Liberty Institute, along with Tim Dunn.¹⁰⁴

Stallings is also a co-founder of MarketPlace Midland, an organization devoted to “integrat[ing] timeless biblical principles into modern business.”¹⁰⁵

Additionally, Stallings sits on the board of the Texas Public Policy Foundation.¹⁰⁶ As mentioned above, the TPPF is part of the State Policy Network that is backed by the Koch brothers.¹⁰⁷

Campaign cash

Stallings has contributed at least $2.1 million to Texas statewide offices since 2000. He was among the top 100 donors in the 2016 Texas statewide elections.¹⁰⁸ The table below shows the top 10 Texas recipients of Stallings’ donations since 2000, according to Texas Ethics Commission data.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Total amount</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empower Texans PAC</td>
<td>$448,000</td>
<td>October 2015-April 2018</td>
</tr>
<tr>
<td>Texans for Dan Patrick</td>
<td>$274,799</td>
<td>November 2013-April 2018</td>
</tr>
<tr>
<td>Kenneth Paxton</td>
<td>$232,500</td>
<td>August 2013-September 2018</td>
</tr>
<tr>
<td>Texas Right To Life PAC</td>
<td>$210,000</td>
<td>April 2016-January 2018</td>
</tr>
<tr>
<td>Accountability First</td>
<td>$150,000</td>
<td>November 2013</td>
</tr>
<tr>
<td>Jonathan Stickland</td>
<td>$105,000</td>
<td>February 2014-August 2017</td>
</tr>
<tr>
<td>Michael Canon</td>
<td>$100,000</td>
<td>December 2013-February 2018</td>
</tr>
<tr>
<td>Texas Home School Coalition PAC</td>
<td>$85,500</td>
<td>October 2002-September 2018</td>
</tr>
<tr>
<td>Texans for Lawsuit Reform PAC</td>
<td>$40,000</td>
<td>June 2011-January 2015</td>
</tr>
<tr>
<td>Texans for Greg Abbott</td>
<td>$36,500</td>
<td>August 2002-September 2018</td>
</tr>
</tbody>
</table>
iv. Dick & Amelia Saulsbury

Saulsbury Industries

The Saulsbury family has contributed at least $366,000 to the Empower Texans PAC since 2014. Dick Saulsbury and his four children run Saulsbury Industries, an engineering, procurement, and construction company headquartered in Odessa, Texas. Saulsbury Industries works with a variety of industries including gas processing & treatment, refining, petroleum/petrochemicals, manufacturing, and terminals/logistics. They employ 2,000 to 3,000 people across several states and are one of the most active oil and gas construction companies in the Permian Basin. In recent years, much of their business has centered on constructing midstream plants. Over the last 10 years, they have built 38 natural gas cryogenic processing facilities. They have partnered with fracking companies including Apache Corporation and Blackstone-owned EagleClaw Midstream.

Saulsbury Industries is beholden to private equity

Like many of the fracking companies behind Empower Texans, Saulsbury Industries is increasingly dependent on the private equity industry for profits. In a recent North American Shale interview, Saulsbury Vice President John Shefchik said “[m]any of our clients are private equity and have investors. They can't have a lot of overhead or run over dates.” Because the private equity industry has played such an integral role in propping up oil and gas drilling in the Permian Basin region, companies including Saulsbury Industries increasingly answer and cater to private equity.

Saulsbury’s ties to other conservative organizations

Dick Saulsbury has been affiliated with conservative organizations including the Texas Public Policy Foundation, Eagle Forum, and National Rifle Association. He is also a director at the Life Center, a so-called “crisis pregnancy center” that plays a central role in Texas’ pro-life movement.

Campaign Cash

Since 1997, Saulsbury has given hundreds of thousands to conservative candidates and PACs at the federal level, with the bulk of this amount given over the past decade. This includes $179,100 to Donald Trump and pro-Trump PACs since 2016.
The table below shows the top 10 Texas recipients of the Saulsbury family’s donations since 2000, according to Texas Ethics Commission data.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Total amount</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empower Texans PAC</td>
<td>$366,000</td>
<td>December 2014-January 2018</td>
</tr>
<tr>
<td>Texas Right To Life PAC</td>
<td>$241,500</td>
<td>April 2016-February 2018</td>
</tr>
<tr>
<td>Kenneth Paxon</td>
<td>$95,000</td>
<td>May 2014-June 2018</td>
</tr>
<tr>
<td>Texans for Greg Abbott</td>
<td>$93,000</td>
<td>April 2006-May 2018</td>
</tr>
<tr>
<td>Republican Party of Texas</td>
<td>$80,354</td>
<td>May 2011-November 2017</td>
</tr>
<tr>
<td>Jonathan Stickland</td>
<td>$75,250</td>
<td>January 2014-September 2018</td>
</tr>
<tr>
<td>Texans for Dan Patrick</td>
<td>$62,941</td>
<td>April 2014-June 2018</td>
</tr>
<tr>
<td>Christi Craddick</td>
<td>$62,500</td>
<td>June 2012-June 2018</td>
</tr>
<tr>
<td>Texas Home School Coalition PAC</td>
<td>$60,000</td>
<td>April 2016</td>
</tr>
<tr>
<td>Texans for Rick Perry</td>
<td>$58,000</td>
<td>September 2002-September 2010</td>
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**v. David Mayes Middleton II**

David Mayes Middleton II - known as Mayes Middleton - was elected to the Texas House of Representatives in 2018, representing District 23. He has contributed at least $302,500 to the Empower Texans PAC since 2015. Until recently, Middleton was on the board of the Empower Texans Foundation.118

**Middleton Oil Company**

Middleton is the President of Middleton Oil Company, which operates over 65 oil wells in South Texas and along the Gulf Coast. He also “manages his family’s mineral holdings throughout the state, as well as ranching, cattle and farming operations in Chambers, Jefferson, Kimble, Liberty, and Webb Counties.”119

**Board memberships**

Until recently, Middleton was a board member at the Texas Public Policy Foundation and on the Executive Committee of the Texas Business Leadership Council.120 As mentioned, he was also on the board of the Empower Texans Foundation.

**Campaign Cash**

Middleton has contributed over $170,000 in campaign contributions at the federal level since 2008, with most of this donated since 2016. His largest donations have included at least $28,500 to Ted Cruz campaign committees and Pro-Cruz PACs and $20,000 to Senate Conservatives Action, which backs conservative candidates.121
The table below shows the top 10 Texas recipients of Middleton’s donations since 2000, according to Texas Ethics Commission data.

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Total Amount</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>David M. Middleton</td>
<td>$1,887,393</td>
<td>June 2017- November 2018</td>
</tr>
<tr>
<td>Empower Texans PAC</td>
<td>$302,500</td>
<td>September 2017-May 2018</td>
</tr>
<tr>
<td>Texans for Greg Abbott</td>
<td>$86,000</td>
<td>December 2013-October 2018</td>
</tr>
<tr>
<td>Texans for Dan Patrick</td>
<td>$55,000</td>
<td>October 2013-January 2018</td>
</tr>
<tr>
<td>Texas Home School Coalition PAC</td>
<td>$50,000</td>
<td>April 2016-May 2016</td>
</tr>
<tr>
<td>Republican Party of Texas</td>
<td>$35,679</td>
<td>June 2017- August 2018</td>
</tr>
<tr>
<td>Jonathan Stickland</td>
<td>$30,000</td>
<td>December 2015- October 2016</td>
</tr>
<tr>
<td>Chambers County Ethical Government Board</td>
<td>$29,162</td>
<td>January 2017-May 2017</td>
</tr>
<tr>
<td>Briscoe Cain</td>
<td>$21,537</td>
<td>January 2016-October 2018</td>
</tr>
<tr>
<td>Constituents Focus PAC</td>
<td>$20,000</td>
<td>August 2015</td>
</tr>
</tbody>
</table>
IV. Conclusion and recommendations

The super-wealthy backers of Empower Texans have been able to use their oil and gas wealth to advance an ultra-conservative politics in Texas - with the unwitting help of their investors. Money from important institutions – public pension funds, universities, and foundations – has effectively been used to distort Texas politics and drive it to the far right, with deep implications for both state and national politics. Will the stewards of worker pension funds, public universities, and philanthropic resources wake up to the consequences of their investment decisions?

Given the extent to which Empower Texans is driving a far-right agenda that aims to erode women’s rights, LGBTQ rights, civil rights, and workers’ rights, and given the extent to which this far-right agenda contradicts the values of many public institutions, foundations, and worker pension funds that invest in, directly or indirectly, the businesses that prop up the fortunes of Empower Texans’ key funders that make Empower Texans’ continued activities possible, PAI makes the following recommendations:

• Tim Dunn’s business operations are overwhelmingly financed by Lime Rock Partners. Institutional investors such as CalPERS, the University of Michigan, and Michigan State should review their decision to invest in Lime Rock Partners IV AF and decide whether they wish to continue to finance Tim Dunn’s business operations - and the resulting fortune he uses to fund Empower Texans and other far-right causes - through these investments.

• Institutional investors that invested in Lime Rock Partners IV and may currently be investing with Lime Rock Partners IV AF should confirm if they are now invested in Lime Rock Partners IV AF. If they are, they should review their decision to invest in a fund that is financing Tim Dunn’s business operations - and the resulting fortune he uses to fund Empower Texans and other far-right causes. These investors, discussed above, include the State Teachers Retirement System of Ohio, the Colorado Public Employees’ Retirement Association, the Denver Employees’ Retirement Plan, the Pennsylvania State Employees’ Retirement System, Harvard College, the University of Chicago, Johns Hopkins University, Rice University, Reed College, the Rochester Institute of Technology, Pomona College, Carnegie Mellon University, Scripps College, Depauw University, the Rockefeller Foundation, the J. Paul Getty Trust, the Knight Foundation, the Pritzker Foundation, the Carnegie Corporation of New York, and the Church Pension Fund.
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Endnotes

3. These figures are based on official data from the Texas Ethics Commission, located online at https://www.ethics.state.tx.us/dfs/search_CFS.htm. Also see our table below in Section III.
8. It appears that Empower Texas makes single donations under both the donor name “Empower Texas PAC” and “Texas for Fiscal Responsibility PAC.” For example, three donations totalling $260,000 from Texans for Responsibility to Konni Burton are identical donations with an identical REPNO - but coming from a different FilerID - as donations made to Burton from Empower Texas PAC.
9. These figures are based on PAI’s analysis of data obtained online from the Texas Ethics Commission as of December 2018.
23. Data taken from the Texas Ethics Commission in December 2018, located online at https://www.ethics.state.tx.us/dfs/search_CFS.htm.
28. See Paul J. Weber, “Conservative Christian attorneys gain influence under Trump,” Fox News, May 28, 2018. Retrieved from: https://www.foxnews.com/us/conservative-christian-attorneys-gain-influence-under-trump and CBS11, “Conservative Christian Attorneys Gain Influence Under Trump,” May 28, 2018. Dunn first got involved with the First Liberty Foundation in the 1990s, when it was known as the Free Market Foundation (it had previously been called Christian Citizens Inc.) This was Dunn’s first known involvement in politics. The Free Market Foundation was a libertarian organization allied with conservative evangelical groups like the Christian Coalition and Eagle Forum that supported public school prayer and opposed same-sex marriage. “During Dunn’s early time on the board,” wrote the Texas Monthly, “the foundation traveled around Texas, teaching men how to become better parents through Christ and helping physicians practice medicine in a godly manner.” When the Free Market Foundation came under new leadership and changed its name to the First Liberty Foundation, it also reoriented towards what it mainly does today: promoting evangelical-backed legal efforts issues like school prayer and
same-sex marriage under the guise of religious freedom. First Liberty has represented the Colorado baker who refused to make a cake for a same-sex couple. The organization has also drafted bills introduced by state Republicans, including one that would allow government clerks who object to same-sex marriage on religious grounds to deny marriage licenses. See R.G. Ratcliffe, “Tim Dunn Is Pushing the Republican Party Into the Arms of God,” Texas Monthly, December 2018. Retrieved from: https://www.texasmonthly.com/politics/power-issue-tim-dunn-pushng-republican-party-arms-god/.

First Liberty deputy general counsel Matthew Kacsmaryk was recently confirmed a federal district judge for the Northern District of Texas. Kacsmaryk, who was nominated by Donald Trump for his judiciary, has been expressed strong anti-LGBTQ beliefs. See Trudy Ring, “Anti-LGBTQ Attorney Matthew Kacsmaryk Confirmed as Federal Judge,” the Advocate, June 19, 2019. Retrieved at: https://www.advocate.com/politics/2019/6/18/pols-and-activists-oppose-abhorrent-judge-nominee-matthew-kacsmaryk


32 Texas ARE Schedule A FEC filing: http://doocy.receives.fec.gov/cgi-bin/ecfimg/?20180520909656751748

33 For example, Dunn gave $7,200 through 3 donations in 2010 to Bill Flores, a Republican Congressman who represents the 17th congressional district of Texas, and $10,600 through 7 donations between 2002 and 2007 to Jeb Hensarling, a former Republican Congressman who formerly represented the state's 5th congressional district. Dunn also has given to conservative candidates outside Texas - for example, $15,000 through 5 donations in 2014 and 2015 to Tim Scott, the Republican Senator from South Carolina. Source: Federal Election Commission search at https://www.fec.gov/search/.

34 Filings retrieved from the Federal Election Commission on August 26, 2019, at https://www.fec.gov/data/receipts/individual-contributions/?committee_id=C00580100&committee_id=C00618389&contributor_name=timothy+dunn&two_year_transaction_period=2020&min_date=01%2F01%2F2019&max_date=12%2F31%2F2020


39 See http://crownquest.com/, retrieved August 26, 2019. Dunn also serves as manager of Hexagon Interim Partnership and partner of Texas Land & Royalty, both mineral companies. See https://empowertx.com/tim-dunn/


42 CrownRock’s “core properties” consist of around 84,000 net acres of the Permian Basin, and specifically its Northern Midland Basin. For more on CrownRock’s operations, see: http://crownquest.com/opers/


45 See Lime Rock Partners. “Who We Are.” Retrieved from: https://www.lrppartners.com/team/. The firm has run into controversy in the past. For example, the SEC investigated the firm for violating its “pay-to-play” rule by donating money to the Ohio Governor in 2015 while Ohio’s state retirement fund was investing tens of millions through Lime Rock. The firm was censured by the SEC and fined $75,000. See: https://www.sec.gov/litigation/admin/2017/lia-4611.pdf


47 See http://regents.umich.edu/meetings/10-18/2018-10-IX-1.pdf. While the University of Michigan reports having $26 million committed to Lime Rock Partners IV AF, it’s possible it has more invested in the fund. See https://www.pionline.com/article/20181125/PRINT/181129917/denver-employees-sets-30-million-for-lime-rock-energy-fund

48 The Money Behind Empower Texans

21