

A Critical Review of *Who Rules El Paso?*

Reviewed by Martín Paredes, February 2020.

Book: *Who Rules El Paso?*

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Community First Coalition, El Paso, Texas

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Introduction

Who Rules El Paso? has recently been making the rounds through social media as the primer on El Paso political power, namely arguing that money buys control of the city. The book adds that the “low voter turnout El Paso elections complicates reform efforts.” (*The Collective*, page 87.) Although the book offers reform suggestions it does not provide the voters with the necessary factual foundation to get them motivated to engage in the political process.

In fact, the book glosses over many important details, leaves many out and offers little to no concrete facts from which to prove their central thesis. Facts are sparse, at best, and when facts are pointed out, the facts presented are wrong.

The biggest issue with the book is the missing context. Events are used to make the argument but the why and the how are missing. Without the why and the how the events depicted in the book leaves the reader without a clear understanding as to why certain politicians take money from the city’s power brokers.

The book spends considerable ink arguing that “white, wealthy [political] donors with access to power” are who rule El Paso. (*The Collective*, page 88.) Although the book makes reference to Hispanic players in the mix, it glosses over their roles in the scheme. The Anglo influence over the political power is important to understanding the issue but the power can only be sustained by those that support it, i.e. the Hispanic players in the scheme.

This critical book review is not an indictment on the attempt to inform the voters of El Paso about what is going on in their community, but rather it is to point out that the book lacks the most important element needed to understand the problem in order to resolve it.

Fundamentally, the authors argue that they “endeavor to make connections and draw conclusions that are often left out of the newspaper and television news reports” (*Introduction*, page xi.) but their book relies heavily on platitudes and opinion while lacking cited facts that the reader can refer to for a better understanding of the subject matter. Not only are essential facts and supporting citations missing but the reader is unable to “make connections” because important historical facts and people are missing.

About the Book

The book attempts to layout the thesis that money buys power in El Paso politics. The book argues that traditional old money is no longer the driving force of the community’s public agenda, but rather that a new monied power center has entered the El Paso political scene.

The book argues that “Paul Foster and Woody Hunt are at the top” of the “dozen,” or so “wealthy individuals,” who “wield disproportionate power and influence over local politics”. (*Introduction, page xiii.*) The authors use four significant community issues: Duranguito, the baseball park, the controversial selection of Dr. Heather Wilson and the Lost Dog Trail to make their case about political contributions and influence peddling.

The book also argues that the money flowing into the city’s politics comes from wealthy white donors who are the minority in predominantly Hispanic El Paso. Although the book fleetingly points out the Hispanic politicians that take the political money, it completely ignores what drives the Hispanics to work for the wealthy benefactors. It offers no context.

The book offers an anecdote of “rising binational industrialists from Ciudad Juárez” (*Introduction, page x.*) while completely ignoring the use of binational money in politics legally allowed through the unique position of bi-nationals who can operate on both sides of the border without hindrance.

Case in point is the case of Miguel Fernández, who has contributed heavily in local politics and is related to a significant industrialist from Cd. Juárez. Fernández was involved in a city controversy involving laying cable across the U.S. international border on city property.¹ Fernández was also appointed to the University Medical Center in 2015, while Fernández was on trial for DWI.² Miguel Fernández not only contributes heavily in local politics, serves on significant political boards but he also has held contracts with the city.

The book argues that the political power outlined in a 1991 *El Paso Times* article have “died or moved away” (*Introduction, page xi.*) and then inexplicably bypasses important political events that is the genesis of their central thesis that money buys power. These are Ray Caballero and the TIF district controversies and the numerous public corruption cases investigated by the FBI.

The Missing Context

The book begins with “a dispute has been looming since 2004 over downtown revitalization and the proposed eradication of old Mexican American neighborhoods, notably South El Paso and Duranguito” (*Rodríguez, page 1.*) completely bypassing the 2002 TIF district controversy which are covered in further detail below. The book continues with “the secret plan called for the acquisition of large tracks of land on both sides of the border through the use of eminent domain.” (*Rodríguez, page 3.*) As the reader will note in the following section, eminent domain was central to the TIF district controversy. The controversy also laid the foundation for fighting displacement through grassroots efforts.

The issue with the omission of the TIF district controversy is not only about the omission but also the political figures involved in them. The people involved and the outcome of the controversy is central to the thesis laid out in the book. The omission of arguably the first successful community fight against eminent domain in recent El Paso history is at best an oversight, but at worst an intentional omission.

Sparse on Facts

One of the missing components that should be noted by the readers of the book are the lack of specific facts. When facts are offered, their citations are difficult to track down. For example, the book refers to a 1991 *El Paso Times* article to set the narrative that the rise of the new power elite evolved away from

the city's original elites. (*Introduction, page xi.*) The citation refers to a "month-long series in the *El Paso Times* in June 1991" making it difficult to refer to the original source. (*Introduction, page x.*)

Likewise, the discussion about the votes at city council to demolish city hall refers to an "anonymous" interview by the author on June 14, 2019. (*Martínez, page 27.*) Is the reader to believe that no one at the city council of the time, including Susy Byrd or Eddie Holguin, among others did not want to go on the record? Both Byrd and Holguin will be discussed further, but Holguin was vocal about his opposition and his reasons for opposing the project. Was he unwilling to go on the record?

Factual Errors

The book cites very few facts. The ones it lists are prone to errors. For example, the book points the readers to a footnote while pointing out that "shifts" have occurred in who contributes to political candidates and the growth of the contributions since 2003. (*Staudt, page 32.*) The footnote points out that Joe Wardy, the incumbent, "obtained sizeable funds sums, with the infamous Bob Jones donating the largest amount (\$3,000)", adding that Jones was convicted in 2011. (*Notes, page 101.*)

The actual amount that Bob Jones contributed to the Wardy Campaign was \$5,500 in four different contributions, one of which was the \$3,000 referenced by the book's author. However, it is important to point out that the Wardy Campaign filed a "correction affidavit" in December 2003 which is also available at the website referenced by the note's author.

The affidavit lists the contributors in alphabetical order. There are three contributions listed for Robert E. Jones. They total \$2,500. Missing from the affidavit is the \$3,000 contribution from Jones referenced in the original campaign contribution report and apparently noted by the author of the table.

Staudt also neglected to include other sizable contributions from other contributors, even those included in the book. Seven contributions from Robert Foster using an address at Lee Trevino totaled \$10,000. Paul Foster, mentioned in the book, contributed \$1,000 to the Wardy Campaign. Scott M. Schwartz also contributed \$5,500 via three contributions.

The book's author also included a table of "Top-Twenty Donors to Mayor Margo's 2017 Campaign". (*Staudt, page 33.*)

What caught my attention about the table was the listing for Paredes in position number 11. I consulted all of Dee Margo's campaign contributions available at the city's website cited by the author. A Ruben Paredes, an accountant with Texas International Gas & Oil Co., is listed in the Margo campaign report for the period June 1, 2017 through June 30, 2017. After the election but within the run-off election period.

As I reviewed the campaign reports I noted discrepancies between the table in the book and the campaign contributions. However, before addressing the campaign contributions it is important that readers understand that the author combined multiple first names to last names to reach the totals posted in the book.

The problem with combining multiple first names to last names is that the assumption is that the last names signify a family working towards a unified public agenda. That cannot be assumed. Moreover, several people who are unrelated may have the same last name.

A better way to quantify family totals is looking at the addresses used in the campaign reports. However, those can be incorrect as well. Nonetheless, of the top ten names on the table, six of the names' totals do not correlate to the reports.

For "Foster, multiple first names," the book total shows "\$23,500 (+\$2,358 in kind)". The actual total, as per the reports, is \$22,500, not including the in-kind contribution. There is a difference of \$1,000. For the "EP Trade School Inc., multiple first names" item, the book lists \$15,000 in contributions. The total, according to the reports is \$10,000. For "Rogers, multiple last names", the book lists a total of \$11,500. The report's total is \$10,400, a difference of \$1,100. For the "Hunt, multiple first names" line item, the book's total is \$6,000 plus an in-kind contribution of \$2,635. The campaign reports totals are \$8,858.44. Even including the in-kind contribution there is a difference of \$223.44. For "Cardwall, multiple names" there is a difference of \$1,000.

My analysis **demonstrates a discrepancy of \$8,323.44** between the contributions reported in the book and the campaign contributions reported in the candidate campaign reports. Other discrepancies in the numbers were noted, by me.

As such, the numbers used in the book's table cannot be relied on as factual amounts. Therefore, the argument the numbers support cannot be considered as valid. This chapter of the book relies on other numbers derived from financial disclosures to support Staudt's thesis. Without independently verifying the other numbers it cannot be assumed that Staudt makes a valid argument, thus this chapter must be ignored by the reader.

Likewise, because of the sloppiness in the reporting of the campaign totals table any other contributions by Kathleen Staudt to the book must also be critically analyzed before the assumption can be accepted as valid.

Connecting-the-Dots

The book purports to "endeavor to make connections and draw conclusions that are often left out of the newspaper and television news reports" (*Introduction, page xi.*) but it neglects to offer the full context of what empowers the political players to influence politicians via political donations.

To understand the scope of the problem, the voter must understand how the scheme has been used over time to understand how it has evolved and continues to evolve. The voter needs to know what happened in the past to see where the scheme succeeded and where it failed to understand how to counter it. The voter needs to know who the players have been to understand who they are today.

Case in point is how the book deals with the city's first city manager - Joyce Wilson.

Wilson was the city manager at the time of the ballpark debacle. The book makes the case that "a shift may be occurring among El Paso's officials and business leaders," referencing the *Workforce Solutions Borderplex*. The book adds that the "precedent-setting collaboration", is a private-public collaboration that includes Workforce Solutions. The authors ask, "one might wonder why the upper-quartile salary is not higher" after pointing out the low \$12 per hour salary compared to the \$15 hourly wage in other places. (*Niell and Staudt, page 43.*)

What the authors neglected to mention is that Woody Hunt is the Vice-Chair of the *Council on Economic Expansion and Educational Development (CREED)*.³ The book identified Hunt as one of the wealthy campaign contributors in their thesis arguing that El Paso is governed by wealthy oligarchs. However, the significant omission by the authors is that the Chief Executive Officer of *Workforce Solutions Borderplex* is Joyce Wilson. Not only is Wilson CEO of the Workforce but she also serves in the 2019-2020 *El Paso Collaborative for Academic Excellence Board*.⁴

The voters need to connect the dots between donors and politicians to fully understand how they are taken advantage of.

The TIF District Battle

Likely the most glaring missing component in the book are the 2002 TIF district battles. They are important to understand as they were the genesis of how the current crop of power brokers wield the power of eminent domain to displace community members for development. Most important is that the TIF district controversy taught both community activists and power brokers how grassroots community involvement can thwart the displacement of residents and how to bypass grassroots efforts in future uses of eminent domain.

The book discusses the PDNG controversy and the eminent domain it intended to use. (*Martínez, pages 20-21.*) But because the book skipped over the TIF battles of 2002 it leaves the readers believing that the Duranguito battle was the first time the city attempted to use eminent domain for redevelopment. Most important to the oversight of the TIF district battle are the individuals involved, their motivations and the lessons learned by both sides on the issue; i.e. how to use eminent domain better the next time and how to effectively launch a grassroots effort to stop it.

In 2001, Ray C. Caballero was elected mayor of El Paso. Caballero's many controversial public policy initiatives were driven by wanting to reinvent El Paso into a vibrant community. To accomplish his reinvention of El Paso, Caballero targeted Jobe Concrete, wanted to build a light-rail system in El Paso and most controversial of all, create the Border Health Institute.

As soon as Caballero took office, he convinced the city council to apply a Tax Increment Finance (TIF) district to the targeted community where he envisioned placing the BHI. Among Caballero's staff who worked on the TIF district controversy were Veronica Escobar, the current representative for the U.S. House of Representatives 16th District and Susie Byrd. In 2018, Susie Byrd resigned as a board member of the El Paso Independent School District to work in Escobar's District Office.

The TIF district gave the city the power to impose a moratorium on building permits and gave the city authority to use eminent domain in the targeted community. Eminent domain is an important issue explored by the book. But what is important to note is that the TIF district designation gave Caballero an important tool for using eminent domain. Without the TIF district designation the city could use eminent domain only for public use. The TIF district designation added the ability to condemn the property for economic development.

Specifically, Patricia Audato, of the *City of El Paso Planning Department* stated in the BHI meeting minutes of April 19, 2002 that under the TIF district designation the city "may acquire properties to develop a site, or to turn around and re-sell it to another owner or potential developer."

“Mexican Americans and others concerned with the possible disintegration of Segundo Barrio, including Chicano/a leaders, historical preservationists, and small business owners, held demonstrations and organized marches in which hundreds of people participated.” (*Martínez, page 21.*) The activism by the protectors of Duranguito are an important element in the defense of the neighborhood.

But the playbook of activism to protect people under the threat of displacement is dependent on those who laid the groundwork by those who came before them. The targeted community of the BHI footprint, who were predominantly Hispanic used activist tools like the recall of Larry Medina, marches, demonstrations and organized resistance at city council meetings and in the community to protect their neighborhoods against the taking of their properties.

Prior to the BHI controversy, in 1994, Ray Caballero teamed up with José Rodríguez and Eliot Shapleigh to sue the State of Texas arguing that the state was shortchanging El Paso on its share of state funds. The book ignores Susie Byrd, Veronica Escobar, José Rodríguez and Eliot Shapleigh, although as the reader will note in the following chapters are significant players in the thesis of who are the power brokers in El Paso politics.

County Corruption

The biggest element missing in the context of the book’s central thesis is the part the County plays in the whole scheme. Although the County is severely limited in its ability to enact laws, levy taxes or control land development in the city limits its participation is essential to the scheme. The city does not operate in a vacuum. It needs the support, at least tacitly, from other governmental bodies to allow the scheme to work.

In the case of the County, the voting process is controlled at the county level. Most important is that the county wields the principal law enforcement of the region, outside of the federal level, that is essential to allow the scheme to continue. Without the blind eye of the District Attorney, the level of political subterfuge would not be possible.

Jaime Esparza has been the El Paso County District Attorney for the last 28 years.⁵ In that time there have been numerous corruption cases in El Paso that were investigated and prosecuted by federal investigators, many of which involved criminal activity at the county.

Around 2004, the FBI launched *Operation Poisoned Pawns* investigating public corruption in El Paso. By April 2014, about 41 El Paso county officials and business principals had pleaded guilty or had been convicted on public corruption charges.⁶

Likewise, the County Attorney at the time of the corruption cases was José Rodríguez. According to the *Texas Association of Counties*, the County Attorney’s responsibilities include working with law enforcement investigating criminal activity and, most important, the individual “provides legal advice to the Commissioners Court and to other elected officials”.⁷

Almost all the El Paso corruption cases involved elected officials at the County who misused county money, yet, at most José Rodríguez investigated one, or two cases leaving the rest to federal officials. It is important to note that Rodríguez participated - directly or indirectly - in approving the contracts signed by the county officials that went to jail for public corruption.

One of those convicted in the El Paso public corruption scandal was former county judge, Dolores Briones who was sentenced on March 22, 2013. The crime involved a county collaborative that must have gone through the county attorney's office for legal review, advice and process approval.

Although the book argues that political donations are the conduit for political power by the city's elite, it focuses on their targets, Paul Foster and Woody Hunt, while ignoring important players that allows the schemes to flourish. Political donations were part of the corruption scandals at the county. For example, Cirilo "Chilo" Madrid and Ruben "Sonny" Garcia were key players in the Briones scandal.

Between January 1, 2000 and October 15, 2013, Madrid contributed \$14,470 in campaign contributions to El Paso candidates. Garcia contributed \$950. About 25% of Madrid's political contributions went to Eliot Shapleigh (\$3,550). Dee Margo, mentioned in the book as a player in the political power scheme, accepted \$500 from Madrid's money. However, not mentioned in the book is the Madrid campaign contribution of \$750 accepted by José Rodríguez during the same period.⁸

In 2006, the public first became aware of the problems at the Border Children's Mental Health Collaborative that led to Dolores Briones' guilty plea. José Rodríguez was the County Attorney at the time this controversy flared up at the county. In 2011, José Rodríguez accepted \$750 in campaign contributions from Madrid, who, along with Garcia were arrested in December of that year.

José Rodríguez currently serves as the Texas State Senator for District 29. He was elected in 2010 and on September 12, 2019, Rodríguez announced he would not seek reelection to the State Senate.

Yet, the book does not mention either Jaime Esparza or José Rodríguez, nor the public corruption cases, leaving a significant gap to the context of the book's underlining thesis.

It should also be noted that one of the book's authors, Carmen E. Rodríguez is married to José Rodríguez. Also, Sito Negrón, who is credited in the Acknowledgments of the book was also a significant writer for the online magazine, the *Newspaper Tree* that author Carmen Rodríguez argues was the only news publication that "described the [PDNG] membership and their activities". (*Rodríguez, page 7.*)

Negrón currently works for José Rodríguez as the District and Communications Director.

Inconvenient Interviews

The most glaring omission in the book are the lack of important and relevant interviews that the book neglected to include. The book omitted important voices that were instrumental in opposing the baseball park "boondoogle" and the Duranguito debacle.

Among them are Lilly Limón who is credited with a short blurb in the back cover of the book but, nonetheless, is not interviewed by the book's authors as to the issues and problems facing city council at the time votes were taken for the ball park. One would think that a sitting city representative at the time of the controversies would be an important voice to include in the book.

The most obvious omission is that of former City Representative Eddie Holguin who was extremely public about his opposition to the ballpark issue. Any research into the ballpark must include the city council debates and votes. Eddie Holguin was the loudest political opponent to the ballpark at city

council. Holguin continues to be active in El Paso politics. Is it really possible that he was unreachable by the authors of the book?

Or, was his omission from the book a matter of convenience?

Conclusion

Although the book misses key elements needed to support the central argument that El Paso's public agenda has been usurped by power brokers it nonetheless serves as a wake up call for El Paso voters to take note of what is going on in their city. The public discussion around the book serves the important call to public action that is needed to curtail the power brokers.

Unfortunately, the book does not provide the full context needed to fully comprehend the problem facing El Paso voters. It lacks the necessary fact-based information needed to make the argument. Most importantly it lacks the necessary context to make the connection between the events depicted and the players that allowed them to happen.

"To illustrate, we have indeed called attention to ethnic/racial and class characteristics of powerful individuals and groups involved in decision-making, e.g. 'mostly white economic elites,' 'elitists out of touch with the mainstream community, 'white, wealthy donors with access to power'" and "not Spanish-speaking" public policy drivers, write the authors in their conclusion. (*Conclusion, page 88.*)

The book goes into great length to expose Paul Foster, Dee Margo and Woody Hunt but it glosses over the other people that are important to the argument. Among them are Jaime Esparza, Eliot Shapleigh and José Rodríguez.

Other significant players that are missing in the book are Susie Byrd, Ray Caballero, Veronica Escobar and Joyce Wilson. Joyce Wilson is not mentioned in the failure to meet wage goals by the Workforce Solutions Borderplex although Wilson was an instrumental player in the ballpark debacle.

The authors add, "we are aware that well-placed Mexican Americans with a deferential or self-interest mentality often do the bidding of the power elite while going against the interests of their own people." (*Conclusion, page 89.*)

Several wealthy Mexicans, through bi-national children, continue to contribute political funds to El Paso candidates. Some bi-nationals sit on community boards and partake in public contracts. Most important is that the book attempts to make its case while ignoring the part several Hispanic politicians have played in the issues depicted by the authors. Several of these politicians remain in elected offices today.

Political power cannot be wielded with just money. It must have willing participants. The book completely ignores what drives the willing participants to take the money and vote as they are tasked to. Without this fundamental detail, trying to correct the problem is impossible. Understanding why someone is willing to play a part in the scheme gives the voters a better understanding of why and who they should vote for to have better control over their lives.

Notes

1. See author's blog post; "The Miguel Fernandez DWI Arrest" for details. [<https://epn.xyz/2015/09/21/the-miguel-fernandez-dwi-arrest/>]
2. See author's blog post; "The Problematic Vince Perez Appointment to UMC" for details. [<https://epn.xyz/2015/11/16/the-problematic-vince-perez-appointment-to-umc/>]
3. CREED website accessed by the author on February 8, 2020 [<https://www.creed.org/board.html>]
4. El Paso Collaborative for Academic Excellence website accessed by the author on February 8, 2020 [<https://www.utep.edu/epcae/people/leadership.html>]
5. Jaime Esparza was elected district attorney in 1992. The previous district attorney was Steve Simmons who served in the position for 21 years. District Attorney website [<https://www.epcounty.com/da/meet.htm>] accessed on February 8, 2020.
6. See author's work at <http://poisonedpawns.com> for more details about the crimes.
7. Texas Association of Counties website accessed on February 8, 2020 [<https://www.county.org/About-Texas-Counties/%E2%80%8BAbout-Texas-County-Officials/%E2%80%8BTexas-County-Attorney>].
8. Author's own research.