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The Billionaire Koch Brothers Are Suing For Control Of The Think Tank They Helped Create

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According to a report by Andrew Harris at Bloomberg, Charles and David Koch, the billionaire brothers at the helm of Koch Industries, are suing their former friends for control of the Cato Institute, the enormous libertarian leaning think-tank now headquartered in Washington D.C.

The death of the former Chairman, William Niskanen precipitated the lawsuit. His shares in the think-tank have been passed to his widow, but the Koch Brothers argue that the shareholder's agreement requires that they should have been sold back to the members.

Both sides are issuing statements:

CATO's President Edward Crane: *"Mr. Koch's actions represent an effort to transform Cato from an independent, nonpartisan research organization into a political entity that might better support his partisan agenda,"*

Charles Koch: *"We support Cato and its work. We are not acting in a partisan manner, we seek no 'takeover,' and this is not a hostile action. All we seek is adherence to the shareholders' agreement, which was agreed to by each of the shareholders. We want to ensure that Cato stays true to its fundamental principles of individual liberty, free markets, and peace into the future, and that it not be subject to the personal preferences of individual officers or directors."*

If the Kochs somehow ended up with enough shares, they would have the power to change CATO personnel.

A mysterious feud between Charles Koch and Ed Crane has simmered since the early 1990s. But Charles Koch has said during a previous interview with Brian Doherty that Cato's Independence "let them reach their potential, and I think it worked out to their benefit."

David Koch has until recently been a major funder and presence with Cato.

It's not the first major spat about who controls Cato. According to the Koch's lawsuit, Murray Rothbard, the libertarian who most influenced Ron Paul, was once a shareholder, though when the Cato Institute moved away from Austrian economics, the shares were confiscated—perhaps illegally.

In any case, there is no one major threat that explains the entire news story. Each party to the conflict has political, personal, and legal motives to pursue their claims. But hanging in the balance is one of the most prestigious think-tanks in the country.