

BUSINESS INSIDER

"Libertarian" Koch Brothers Have Taken Tens of Millions in Subsidies

By: Kenneth Thomas – May 28, 2013

The Cato Institute, originally the Charles Koch Foundation, is one of the most influential libertarian think tanks in the country. With both Charles and David Koch on its board of directors, Cato has produced numerous studies on the evils of corporate subsidies (which it calls "corporate welfare"), dating back at least to the 1990s. Supposedly, Charles Koch himself (via Wikipedia) is opposed to "corporate welfare," and plans to oppose it this year.

I guess I'll believe it when I see it. As previously discussed in *Dirt Diggers Digest*, Koch Industries has received many subsidies over the years, and I doubt this leopard will change its spots. In fact, the full tally of giveaways they have received extends far beyond the article linked above.

The calculation below relies on Good Jobs First's Subsidy Tracker database and the *New York Times* subsidy award database (not the program database). While 98% of the entries in the *Times* database come from Good Jobs First, reporter Louise Story took the first big step toward aggregating by standardizing company names. However, this still does not connect parent and subsidiary companies, so I carried out this step for the Kochs by using the Wikipedia entry for Koch Industries. With a quarter of a million entries and counting in Subsidy Tracker, I cannot imagine how long this would take if I had to do it for every company.

Here are the subsidies I was able to identify for Koch companies.

Flagship Koch Industries has taken over \$16.5 million in subsidies from 11 different awards, none of which are sales tax breaks (which generally are not subsidies).

Subsidiary Georgia Pacific has received 72 subsidies worth over \$43.9 million (none of these were sales tax breaks).

Subsidiary Flint Hills Resources LP has received subsidies from Iowa, Kansas, Texas, and Michigan, according to the Good Jobs First Subsidy Tracker; the *New York Times* subsidy database, which omits Michigan but includes one more Iowa subsidy, puts the value of the Iowa and Kansas subsidies alone at just over \$12.5 million (again, none of which were sales tax breaks).

Subsidiary INVISTA has received \$217,504 in training grants from South Carolina, according to Subsidy Tracker. Several other subsidies appear to be connected to this subsidiary, but none have available subsidy amounts. Again, none were sales tax breaks.

To summarize:

Koch Industries: \$16.5 million

Georgia Pacific: \$43.9 million

Flint Hills: \$12.5 million

INVISTA: \$0.2 million

Total subsidies to the Koch brothers: \$73.1 million

Remember, this is the minimum value of the Koch brothers' subsidies. Some of the entries had no dollar figures available, and there is always the possibility that some incentives were missed entirely or that the awards above were only a part of a subsidy package, not the entire value. In particular, local subsidies are not well covered in either database; the same is true for my national estimates. The data just isn't widely available.

Meanwhile, Koch Industries is going to be the largest investor in the Big River Steel project in Osceola, Arkansas, which is expected to cost the state \$132 million in incentives.

Like I said, when it comes to the Kochs fighting subsidies, I'll believe it when I see it.