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My Brothers, Charles and David Koch

By Peter Dreier

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Charles and David Koch

A year and a half ago I discovered that the Koch brothers are my brothers.

I learned about our extraordinary kinship through a brief article in the New Republic, which mentioned that Charles Koch, and his younger twin brothers David and William, were members of the Beta Theta Pi fraternity at MIT. I was a Beta at Syracuse University (Class of 1970). And it is well known that all Betas are brothers, forever.

I admit that I haven't stayed in touch with my Syracuse frat brothers or paid much attention to Beta happenings, but learning about my kinship with the Koch brothers has reawakened my fraternal feelings.

I was hoping to run into Charles (MIT 1957) or David (MIT 1962) at their Palm Springs get-together two weeks ago for the ultra-conservative wing of the .001 percent. I only live two hours away and I was willing to pay for my own hotel room. Alas, they didn't invite me, but I found out what happened anyway.

The Kochs announced that they -- and their network of conservative organizations -- would be spending \$889 million in the 2016 elections to help elect right wing Republicans to the White House and Congress. No wonder four of the most conservative GOP presidential hopefuls -- Sen. Ted Cruz (R-Texas), Sen. Marco Rubio (R-Fla.), Wisconsin Gov. Scott Walker and Sen. Rand Paul (R-Ky.) -- showed up in Palm Springs to kiss the Koch brothers' rings (or perhaps another part of their anatomy) to win their support.

Had I been invited, I would have made sure to give Charles and David the secret Beta handshake, quietly mutter "Phi Kai Phi" (Beta's secret slogan, although I can't remember what it means), and sing a few refrains of one of the fraternity's drinking songs, "I'm a Master Beta." I was also hoping to see if these Beta billionaires could still recite the official history of the

founding of the fraternity while holding a lighted match, which I and other Beta pledges had to do during hell week. It begins: "At nine o'clock on the evening of the eighth day of the eighth month of the year 1839, eight earnest young men, all students at Miami University, held the first meeting of Beta Theta Pi in the Hall of the old Union Chapel at Miami University. The eight founders in the order in which their names appear in the minutes, were...." We then had to recite the full names of all eight founders, while the match flame was getting closer and closer to our fingers.

Beta Theta Pi has a long and illustrious history. It one of the oldest and largest fraternities in the country. At its peak it had over 220 chapters in the United States and Canada, but that number has plunged to about 95 chapters "in good standing," another 19 chapters-in-waiting called "colonies, 11 chapters that are either on probation or on "warning," two chapters that are under "reorganization" and one chapter (Georgia Tech) that has been suspended. Over 190,000 Beta Theta Pi members have been initiated since the fraternity was founded and approximately 127,000 of them are still living. Wikipedia's list of famous Betas is very impressive.

Charles and David Koch, who are each worth over \$41 billion, are famous for their zealous right-wing views and donations to conservative causes and politicians. William, who years ago led an unsuccessful takeover of the family business and is thus worth only \$2.9 billion, is also a conservative donor, but doesn't join forces with his brothers.

In 2012 Koch Industries donated \$2.2 million to candidates for president, Congress, and Senate, according to the Center for Responsive Politics. But that's just the tip of the iceberg of the Kochs' warchest. Charles Koch and his wife Elizabeth gave \$919,000, and David Koch and wife Julia gave \$2.4 million to candidates -- none of it to Democrats. They also give big bucks to Americans for Prosperity, their conservative political action committee, which makes huge campaign contributions but which isn't required to reveal its donors' names.

The Kochs give some candidates the Beta boost. In 2010, for example, Joe Heck, a conservative Nevada legislator and Penn State Beta (1984), ran for the state's 3rd congressional district, defeated incumbent Democratic U.S. Congresswoman Dina Titus by 1,748 votes, and was re-elected in 2012 and 2014. Koch Industries were Beta benefactors each time, contributing \$10,000 to Heck in each election.

But much to my chagrin, I discovered that when it comes to politics, the Kochs' ideology and self-interest trumps their loyalty to their Beta brothers.

In 2010, the Koch brothers turned their back on fellow Beta Sen. Michael Bennet (Wesleyan 1987), a Democrat from Colorado. Koch Industries contributed \$23,000 to Ken Buck, a Tea Party Republican, hoping to unseat Bennet. Charles Koch and David Koch each wrote a check for \$2,400. The Club for Growth, a conservative PAC with many overlapping ties to the Koch brothers, gave Buck \$153,053. Bennet defeated Buck, despite the latter's Koch cash.

In 2012, Beta Senator Bill Nelson (Yale 1965), a Florida Democrat, ran for reelection for a third term. But Koch Industries gave \$33,500 to Nelson's opponent, Republican Connie Mack. Both Koch brothers contributed another \$5,000 out of their own pockets. This act of frat-ricide was particularly outrageous because Mack was a member of University of Florida chapter Sigma Alpha Epsilon, a major Beta rival. It was founded 17 years after Beta but now is much larger, with 246 active chapters.

OK. I can understand why the Kochs would support a SAE Republican over a Beta Democrat. But it gets even worse. That same year, Beta David Dewhurst (Arizona 1967), Texas' conservative Lieutenant Governor and a close ally of Gov. Rick Perry, was considered a shoo-in to win the GOP nomination for the Senate being vacated by the retiring Republican Kay Bailey Hutchison. But Dewhurst lost his party's primary to former Texas Solicitor General Ted Cruz, a favorite of the Tea Party, who went on to vanquish his Democratic opponent. Koch Industries gave Cruz \$27,500. Charles Koch and his wife contributed \$5,000. The Club for Growth, a conservative PAC with many overlapping ties to the Koch brothers, gave Cruz over \$5 million to help him beat Dewhurst.

And here's another example of the Kochs betraying their Beta brothers. Senator Richard Lugar of Indiana, who was a Beta at Denison College (1954), served in the Senate for 36 years until he was defeated in the GOP primary in 2012 by Tea Party wing-nut Richard Mourdock, who went on to lose to a Democrat. The Koch-funded Freedom Works PAC endorsed Mourdock and Koch Industries contributed \$38,500 to his campaign.

My brothers Charles and David Koch are tied for fifth on Forbes ranking of the wealthiest Americans, behind Bill Gates, Warren Buffet, Larry Ellison, and Christy Walton. Right behind the Koch brothers are other Walton siblings, who inherited their fortune from Sam Walton, the founder of Wal-Mart, who was also a Beta (Missouri 1940).

Like the Waltons, the Koch brothers made their wealth the old fashion way. They inherited it.

Their father, Fred C. Koch, founded the company in 1940 and developed an innovative crude oil refining process. His sons, Charles and David, bought out their brothers Frederick and William in 1983 and diversified their holdings. Today Koch Industries is the second-largest private company in the United States, with annual revenues of \$115 billion.

Koch Industries' core business is petroleum refining. Its subsidiaries also trade and transport petroleum coke, coal, cement, pulp and paper, sulfur and other commodities; they own refineries, ethanol plants, and petrochemical plants in many states as well as thousands of miles of pipelines. Koch Fertilizer is the world's third-largest maker of nitrogen fertilizer.

Koch Industries also owns Georgia-Pacific, which has approximately 300 manufacturing facilities across North America, South America and Europe. Subsidiaries of Koch Agriculture Company have cattle ranching businesses in Montana, Kansas, Texas, and South America.

All of these industries are regulated by government in terms of health, safety, and environmental hazards. A 2010 study by researchers at the University of Massachusetts named Koch Industries one of the United States' top 10 air polluters. Not surprisingly, the Koch brothers oppose government regulation and invest much of their fortune in campaign contributions, lobbying, and donations to right-wing think tanks that attack government regulation of business.

The Koch brothers didn't just inherit their father's fortune. They also inherited his politics. In 1958, Fred Koch was a founding member of the John Birch Society, the right-wing extremist group that opposed civil rights and claimed that both the Democratic and Republican Parties were infiltrated by the Communist Party. In his 1960 self-published book, *A Business Man Looks at Communism*, Fred Koch wrote that "The colored man looms large in the Communist plan to take over America," and that welfare was a secret plot to attract rural blacks and Puerto Ricans to Eastern cities to vote for Communist causes and "getting a vicious race war started." The John Birch Society helped fuel a wave of hysteria against unions, civil rights groups, intellectuals, public schools, liberal clergy and others whom they considered a threat to America.

Following in their father's footsteps, Charles and David Koch have for three decades been by far the biggest funders of right-wing politicians, causes, and organizations. Their political activities are primarily dedicated to eliminating government regulation of business and lowering taxes on the rich.

Their money helped fuel the Tea Party when it emerged in 2009 to attack President Obama. But the Koch brothers take the long view. They invest their fortune to build a conservative movement with staying power. They've supported the Heritage Foundation, the Cato Institute, the Institute for Humane Studies, Citizens for a Sound Economy, the Mercatus Center, the Reason Foundation, the Manhattan Institute, and Americans for Prosperity, their right-wing political action committee. David Koch ran for Vice President on the Libertarian Party ticket in 1980 because Ronald Reagan wasn't conservative enough to suit his taste.

Politically, the Kochs are in the good company of other conservative Betas.

Besides Sam Walton, the Beta business brotherhood also includes Justin Dart (Northwestern 1929), founder of Dart Industries, which owned the nation's largest chain of drug stores. Like the Koch brothers and now the Walton family, Dart was a big backer of conservative causes and politicians. Dart helped persuade his close friend Ronald Reagan to run for president in 1980.

Two well-known Betas are Watergate conspiracist Charles Colson (Brown 1953) and H.R. Haldeman (UCLA 1948), Nixon's chief-of-chief who also went to jail his role in the Watergate cover-up. But to balance the scales, I should note that another Beta is Mark Felt (Idaho 1935), the associate director of the FBI who turned out to be "Deep Throat," the whistleblower who was the key source for the Washington Post reporters who exposed the Watergate scandal.

Two of George W. Bush's closest business cronies were Ken Lay and Jeffrey Skilling, whom I call the Enron Betas. Lay (Missouri 1967) was the CEO of Enron who played a leading role in the corruption scandal that led to the company's downfall and who was found guilty in 2006 of 10 counts of securities fraud and related charges. Skilling (Southern Methodist 1975) was his partner in crime as well as his Beta brother. In 2006, Skilling, who was also served as Enron's CEO, was convicted of multiple federal felony charges relating to Enron's financial collapse, and is currently serving 14 years of a 24-year, four-month sentence in a federal prison in Colorado.

There are many other prominent business leaders in the Beta Theta Pi pantheon. Indeed, the corporate world is filled with successful Betas. A decade ago, according to Forbes, Beta had more CEOs among today's 500 largest corporations (11) than any other fraternity.

The list of Beta-bred business leaders also includes Frank Shrontz (Idaho 1954), one time CEO of Boeing, Charles Erwin Wilson (Carnegie 1909), CEO of General Motors and Defense Secretary under President Eisenhower, Stephen Bechtel Sr. (California 1923), ex-CEO of Bechtel, the global construction and engineering firm founded by his father; William "Bill" Bowerman (Oregon 1933), famous track coach and founder of Nike; and Hank Barnette (West Virginia 1956), former CEO of Bethlehem Steel. Recent CEOs include Sam Palmisano (Johns Hopkins 1973), who was CEO of IBM until last year and David Coulter (Carnegie Mellon 1971), one-time chairman of the Bank of America and vice chairman of J.P. Morgan Chase.

Everett Nordstrom (Washington 1923), Bruce A. Nordstrom (Washington 1955), John N. Nordstrom (Washington 1958), Blake Nordstrom (Washington 1982), Peter E. Nordstrom (Washington 1984), and Erik B. Nordstrom (Washington 1985) all learned the value of tradition and loyalty. They all attended the University of Washington, all pledged Beta Theta Pi, and all served as CEOs of the Seattle-based department store founded by John W. Nordstrom in 1901.

When I was in college, Beta Theta Pi boasted that over its history it had more college presidents, Olympic medal winners, and elected officials, than any other fraternity. I counted 123 members of the House, 38 Senators, 48 governors, and nine Supreme Court justices.

Among the many Betas who have served in public office was Schuyler Colfax, Jr. who served as Speaker of the House (1863-1869), and the Vice President of the United States (1869-1873). Obviously recognizing the importance of what today we would call "networking," Colfax was initiated into the Beta chapter at DePauw University without ever having attended the school.

Other Beta politicians include Joseph Byrns (Vanderbilt 1890), a Congressman from Tennessee, who was House Speaker in the 1930s; Senator and Governor of Oregon Mark Hatfield (Willamette 1943); former House minority Richard Gephardt, a Beta at Northwestern (1962); and John Warner (Washington and Lee 1950), who was a U.S. senator from Virginia for 30 years but is more famous for being one of Elizabeth Taylor's many husbands. Wendell Willkie (Indiana 1916) was the GOP's presidential candidate in 1940 who lost to FDR in a landslide.

Two Betas -- Robert Engle (Williams 1964) and Dale Mortensen (Willamette 1961) -- received the Nobel Prize for economics. Quite a few Betas have made the mark in show business. That list includes William Anderson (Whitman 1951), who under the state name Adam West played "Batman" on the popular TV series, James Arness (Beloit 1946), who portrayed Sheriff Marshall Dillon on "Gunsmoke," and Robert Reed (Northwestern 1954), who is most famous for playing the father in the TV series "The Brady Bunch." Many Betas have risen to prominence in journalism, including Howard Fineman (Colgate 1970), longtime chief political writer for Newsweek and now editorial director of AOL Huffington Post Media Group.

Did you ever notice the close fraternal bonds among the "Sharks" and "Jets" gang members in the musical West Side Story? Perhaps this is connected to the fact that composer and lyricist Stephen Sondheim was a Beta at Williams College (class of 1950).

Beta Theta Pi has produced many great athletes, including at least 22 Olympic Gold Medal winners in wrestling, swimming, pole vault, hurdles, diving, basketball, rowing, rugby, boxing, long jump, relay, yachting, volleyball, and bobsledding. At least 13 Betas have played in the NFL. Beta ball players include Mike Schmidt (Ohio 1971), the Hall of Fame third baseball for the Philadelphia Phillies. NBA Betas include Jerry Lucas (Ohio State 1962), an NBA Hall of Famer; Gail Goodrich (UCLA 1965), a star for the Los Angeles Lakers; and Mel Counts (Oregon 1964), who played 12 years in the NBA. Earl "Red" Blaik (Miami 1918), the pioneering Army football coach, Bill Veeck (Kenyon 1936) the colorful and politically progressive owner of baseball's Browns, White Sox, and Indians, and John Wooden (Purdue 1932), the legendary UCLA basketball coach, were Betas, too.

I found a handful of kindred progressive spirits among the list of famous Betas. One is Samuel McCune Lindsay (Pennsylvania 1889), a left-wing sociologist at Columbia University and chairman of the National Child Labor Committee, which successfully advocated for laws to regulate sweatshops and to protect children from exploitation at work. Like his father Senator Robert "Fighting Bob" La Follette, Robert "Young Bob" La Follette Jr. (Wisconsin 1917) was a progressive Senator from Wisconsin (from 1925-1947) and a strong ally of the labor movement. William O. Douglas (Whitman 1920) was probably the most liberal Justice in the history of the U.S. Supreme Court. H. Richard Hornberger (Bowdoin 1945) wrote the novel "MASH" in 1968, based on his experiences as a surgeon during the Korean War, which was the basis for the popular film and TV series. Another off-beat Beta was Ken Kesey (Oregon 1957), the counter-cultural guru whose significant influence on 1960s popular culture is primarily based on his novel, One Flew Over the Cuckoo's Nest.

Apparently the Kochs' old stomping grounds at MIT has come upon hard times. The MIT chapter was disbanded in 2011 but is now a "colony" hoping to make a comeback to full-fledged chapter status. This year the MIT affiliate, which recently celebrated its 100 anniversary, has 16 members.

I'd love to get together with my brothers Charles and David Koch to discuss Beta lore or politics. Unfortunately, we can't do it at the Syracuse Beta house, which was shuttered years ago. But we could meet at the MIT Beta house. Or we could share a meal at the Koch Cafe on the MIT campus. My treat.