

Stranger in a Strange Land

Let's Make Alabama Better

Jane Mayer's New Book Details How Dark Money Has Fueled The Rise of the Radical Right

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April 10, 2016

As we watch Donald Trump tear up the Republican Party like a spoiled kid breaking all his new toys on Christmas morning, we should recognize exactly what created the toxic political atmosphere that enabled Trump's improbable rise in presidential politics, and made radical right-wingers like John Kasich, Ted Cruz, and Marco Rubio seem mainstream.

Money.

Secret, untraceable, anonymous contributions by a tiny group of billionaires to a dizzying array of PACs, super-PACs, think-tanks, and vaguely named "institutes" that taken together spend more money on politics than either of the two mainstream political parties.

Jane Mayer's new book, *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right* (Doubleday 2016), is an exhaustively-researched and well-written study of the influence of a small group of extremely rich individuals and families organized and led by Charles and David Koch, brothers who together have a net worth of over \$80 billion.

With a "b."

The book is informative but disheartening. While it may be intuitively apparent to many that big money has a disproportionate influence in American politics, Mayer makes it concrete. There are no generalizations here; the book is full of specific names, dates, and sums of money spent in the cause of the radical right over the past quarter century. She recounts in detail the cynical and secretive plotting behind the strategies employed by big money to move the country further to the right. Her reporting pierces through the dark shroud of secrecy surrounding political spending in the United States and lays bare the naked greed behind the Tea Party "movement" and the disastrous turn to the right by the Party of Lincoln since Barack Obama was elected president in 2008.

Mayer begins the story there, at a summit of wealthy donors (who like to call themselves "investors"), in late January 2009, just as Obama was being sworn in as president. Led by the

Koch brothers, a small cadre of multi-billionaires, political operatives, and conservative politicians met at a posh California spa to plan the right wing's next moves after the GOP's stinging defeat in the 2008 presidential and congressional elections.

The organizers of this secret planning meeting took extraordinary steps to keep the meeting, its participants, and the subjects discussed absolutely secret. All cell phones, iPads, and other electronic devices were confiscated for the duration of the meeting. White noise machines were installed at the perimeter of the conference to foil eavesdroppers. Participants were sworn to secrecy.

It turns out this meeting of the powers-that-be, a virtual shadow government, is an annual affair and has been for nearly a quarter century. At first this group of anti-government libertarians were considered on the very fringe of the far right wing, but the enormous "investments" made by the billionaires paid off in time, moving the GOP steadily to the right and culminating in the pivotal right-wing electoral victories of 2014.

Mayer's narrative then moves back in time, to a history of the Koch brothers and their mammoth energy-centered conglomerate Koch Industries. It is a sordid story about immoral greedy rich people.

Fred Koch, the now-dead family patriarch who started the family enterprise, made lucrative business deals in the 1930's with both Joseph Stalin and Adolph Hitler. Despite the family's later efforts to suppress the information, Mayer found and describes documents establishing that Fred Koch built a mammoth oil refinery plant for the Nazis that provided Germany with fuel for the planes and tanks that let Germany blitzkrieg its way across Europe in 1939.

Think about that legacy when you hear Charles Koch protest that all he wants is what is best for America.

After Fred's death, his son Charles emerged as the undisputed head of what by then was known as Koch Industries. Charles accomplished this through a series of unprincipled machinations and lawsuits against members of his own family. Charles's brother David, who ran for vice-president as the Libertarian Party candidate in 1980, is the number two man at Koch but observers agree that all real decisions are made by Charles. Under Charles's leadership the company has grown from a medium-sized oil company to the mammoth diversified conglomerate it is today.

Mayer details Charles's early infatuation with right-wing fringe libertarian ideas. It is clear that his drive to dominate and grow Koch Industries was easily matched by his passion for political theories advocating the dismantling of most of the federal government. As a young man, Charles was a member of the now widely-discredited John Birch Society, which argued that free market capitalism would take care of most, if not all, of the needs of the people, making government essentially superfluous. Patriarch Fred Koch had been an early member of the Society and Charles followed in his father's footsteps in embracing radical free market ideas.

Much of Mayer's recitation of the Koch brothers' history deals with the company's contemptible history of contaminating the environment and its frequent encounters with the Environmental Protection Agency. To say that Koch Industries was one of the most unrepentant and litigious violators of EPA clean water and clean air regulations in the United States would not be an exaggeration. The company's frequent brushes with the EPA cost the company millions of dollars. The Koch brothers' advocacy of getting rid of the EPA dovetails perfectly with their economic self-interest.

The Koch's also had a number of clashes with the IRS over their aggressive schemes to avoid paying taxes. Again, Mayer's reporting makes clear that the Koch's advocacy of lower taxes for the wealthy is consistent with the brothers' interest in retaining as much of their enormous wealth as possible.

Mayer's ambition is much broader than just the Koch brothers, though, and so after the lengthy biographical exposition about them she moves onto some of the other principal "investors" behind the rise of the radical right, particularly John M. Olin, Richard Mellon Scaife, and the Bradley brothers. These men shared with the Kochs a background of wealth and privilege, a net worth in the billions, and a desire to maximize their already enormous wealth at the expense of the rest of America through the implementation of radically right-wing libertarian policies.

This first part of the book giving detailed biographical information of the major players behind right-wing dark money is called "Weaponizing Philanthropy: The War of Ideas," and it is aptly named. The Kochs and others, smart folks all, quickly learned to use every loophole in the Internal Revenue Code so that they could deduct contributions that eventually went to right-wing causes that benefited the donor (or investor). They set up a truly massive network of organizations all designed to funnel money to create issues and arguments in favor of libertarian ideology. And they did this using IRS rules designed to encourage giving to truly charitable endeavors, not to PACs and think-tanks advocating for political action to benefit the donors.

A local example is the Alabama Policy Institute, a "think-tank" funded by a larger organization that funds similar incubators for right-wing ideas at the state level in dozens of states. That larger organization, in turn, is funded by "charities" to which the Koch brothers and other billionaires give millions.

On the national level there are dozens more such organizations, all with innocuous-sounding names like the Cato Institute, which employ hundreds of people to crank out endless position papers advocating for the roll-back of environmental regulation, the curtailment of worker's rights to organize unions, the abolition of estate taxes, lower income taxes for the wealthy, the end of the minimum-wage laws, and other issues near and dear to the libertarian hearts of America's extremely rich.

And perhaps most ominously, they funneled money to public and private universities to set up departments designed to teach young people free market capitalism ideas.

It was truly a war of ideas that weaponized philanthropy to create seemingly grass-roots movements in favor of a number of ultra-conservative positions. The creation of these “movements,” however, did not spring from the grass-roots, a metaphor for political movements rooted in advocacy by ordinary citizens rather than political professionals. The cynical organizers funded by dark money coined the term “Astroturf” to describe the strategy of using paid protesters to create the illusion that a movement was citizen-initiated rather than bought and paid for by rich right-wingers.

In one of the book’s most illuminating passages, Mayer describes how dark money created the largest such supposedly grass-roots movement, the Tea Party, using the Astroturf strategy. The Koch strategists latched onto the media notoriety created in February 2009 when CNBC guest commentator and former commodities trader Rick Santelli went on an epic rant on the floor of the Chicago Mercantile Exchange about an Obama proposal to allow homeowners to restructure their mortgages to avoid foreclosure following the implosion of the mortgage market in 2007 and 2008.

Santelli’s rant, cheered on by traders standing on the floor of the Exchange, called for a “Chicago Tea Party” to protest what he viewed as the deplorable action by the Obama administration to aid those he characterized as victims of their own poor financial choices. Interestingly, Santelli’s comments were in response to comments by vulture fund manager Wilbur Ross, Jr., a personal friend of Charles Koch. Ross’s fund was heavily invested in servicing mortgages and so would have been devastated by Obama’s proposal. Here is Santelli’s famous rant in response to Ross’s statements:

The conventional wisdom is that this video of Santelli’s rant, which went viral, caused a “grassroots” movement of like-minded conservatives to form what was almost immediately called the Tea Party Movement. The story goes that his words touched on a raw nerve of many working class conservatives and sparked an amateur uprising of ordinary citizens against Obama and his policies.

In fact the most that can be said about Santelli’s rant is that it went viral on the Internet and caused a lot of jaw-wagging on social media. The enduring status of the “movement” has been funded and led entirely by the dark money billionaires and their operatives. In a 2012 book by Harvard political scientist Theda Skocpol and Ph.D. candidate Vanessa Williamson titled *The Tea Party and the Remaking of American Conservatism*, the authors in a very scholarly fashion scuttled the idea that the Tea Party was a truly mass-initiated movement. Mayer quotes the following passage from Skocpol and Williamson’s book:

[T]he Tea Party movement was a “mass rebellion . . . funded by corporate billionaires, like the Koch brothers, led by over-the-hill former GOP kingpins like Dick Armey, and ceaselessly promoted by millionaire media celebrities like Glenn Beck and Sean Hannity.”

Mayer makes it clear that the media response to the Santelli rant was a godsend to the Kochs, finally giving them exactly what they needed: a way to make their virulently right-wing views appear as if they were supported by an army of ordinary citizens rather than just a small cadre of super-rich business owners.

The rest of Mayer's book recounts the electoral history since Santelli's rant catalyzed the Tea Party movement and how dark money affected those elections, particularly in the aftermath of the Supreme Court's 5-4 decision in *Citizens United* giving First Amendment protection to corporate political donations and striking down the heart of America's campaign-finance laws. Mayer correctly concludes that *Citizens United* gave the Kochs and their cronies the unfettered ability to channel hundreds of millions of dollars into electoral politics at the federal and state levels. The Supreme Court gave the Good Housekeeping Seal of approval on limitless spending by the ultra-rich on electing candidates that would champion causes benefiting the billionaire class.

Mayer's book is one of the most important political books I've read in the past 20 years. It is so important that I pestered a good friend and fellow columnist to read it, and he was so angered by the details of how the mega-rich have come to control our so-called democracy that he told me in jest that he hated me now.

If you only read one book on politics this year, make it Jane Mayer's *Dark Money*. Knowledge is our only weapon against the secretive billionaires who have created a political atmosphere where Donald Trump leads the Republican pack, and John Kasich is considered a moderate.