



There's a Vast Right-Wing Conspiracy Afoot, Fueled by Dark Money

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Conspiracy theorists can breathe a sigh of relief. Turns out, there *is* a vast plot afoot, but it's not being orchestrated by "godless communists" or feminists eager to smash the patriarchy. Instead, it's coming from right-wing libertarians and ultra-conservative nationalists who have billions of dollars to spend and are willing to do whatever it takes to win.

Their agenda includes a desire to reduce government's function to a single item: Protection and promotion of business interests by eliminating things they consider roadblocks, such as taxes, unions, minimum wage laws, overtime protections and environmental regulations that limit toxic dumping and air and water pollution. To say that they're harkening back to the Gilded Age is an oversimplification, but it's close to the ideal put forward by a small cohort of unimaginably rich white men, and a handful of unimaginably rich white women, who are plotting to turn the US into a land of serfs and lords, with themselves in complete control of everything.

Jane Mayer's exhaustively researched look at this network makes for an essential though terrifying read.

She begins with a profile of the ringleaders, brothers Charles and David Koch, and offers a savvy history of sibling rivalry and competition for parental approval that pitted brother against brother and left two of the family's four children, Bill and Frederick, on the sidelines. After David and Charles joined forces to run the family's oil and gas companies, the pair -- whose combined worth is estimated by Mayer to be \$41 billion -- developed into public figures, becoming Society Page regulars and conservative movement stalwarts.

Their roots, however, rest with the racist John Birch Society, where, as 20-somethings, they were exposed to the anti-government economic theories of extreme laissez-faire capitalism. Classes at the Freedom School, founded by Robert LeFevre -- a man who had previously been indicted for mail fraud and who became an FBI informer at the height of the McCarthy witch hunts -- in the late 1950s cemented their ideology and fomented their longstanding hatred for Social Security and other New Deal programs. Furthermore, the school indoctrinated students to believe that the poor should be cared for by private charity, not government; this notion has been sacrosanct to the Kochs ever since. Friedrich Hayek's 1944 book, *The Road to Serfdom*, was also foundational, Mayer writes, preaching that "Centralized government planning would lead, inexorably, to dictatorship."

To his credit, from the jump Charles put his money where his mouth was, using his already appreciable inherited assets to finance the Freedom School. It was, Mayer writes, "His first step toward what would become a lifelong, tax-deductible sponsorship of Libertarianism in America. His hope was to use his wealth to inject his fringe views into the mainstream by turning The Freedom School into an accredited graduate school and then a four-year undergraduate program specializing in Libertarian philosophy, to be called Rampart College."

Flash forward a few decades and it is clear that the Kochs have made some headway on this. Along with politically simpatico allies, the brothers have not only funded educational programs at colleges including Harvard, Clemson, Brown and George Mason, but have also set up a dizzying array of innocuous-sounding "organizations"-- many of them nothing more than post office boxes -- to do their bidding. Here's a smattering: Americans for Job Security; American Future Fund; Americans for Prosperity; American Solutions; The Cato Institute; The Center to Protect Patient Rights; Club for Growth; Coalition for Responsible Regulation; Council for National Policy; FreedomWorks; Generation Opportunity; The Heritage Foundation; Institute for Humane Studies; Institute for Justice; Intercollegiate Studies Institute; James Madison Center for Free Speech; Landmark Legal Foundation; The Mercatus Center; The Sam Adams Alliance; 60-Plus Association; True the Vote; and The TC4 Trust.

You get the idea. Worse, there are literally dozens of additional "groups" that have been financed to popularize conservatism in colleges and universities and bring the message of unfettered capitalism to business people and regular folks. The goal, not surprisingly, is to develop an ideological consensus around particular principles such as the notion that small government is good government; that the Affordable Care Act is the first step in rationing medical care; and that anything that benefits business benefits the entire population.

These arguments have been boosted by the emergence of the Tea Party in 2009. Thanks to funding from the Kochs and conservative foundations including the Scaife Family Charitable Trust, the Scaife Foundation, the Olin Foundation, the Donors Trust and the Bradley Foundation, local Tea Parties seemingly popped up out of nowhere, in direct response to President Obama's attempts to pass health care reform.

But this movement did not really emerge from "nowhere." In fact, the grounding ideas of the Tea Party harken back to 1976, when a paper written by the Koch's current political advisor, Richard Fink, caught Charles Koch's eye. Fink's report, called *The Structure of Social Change*, laid out a three-tiered strategy for taking over American politics. Step one required an "investment" in "intellectuals" whose ideas would become the "raw product." The second phase involved funding think tanks -- recall the formation of The Heritage Foundation in 1973, The Cato Institute in 1974 and The Mercatus Center in the mid-1980s -- to turn these "products" into "marketable policies." Lastly, Fink proposed funding "citizen groups" to pressure elected officials to support and implement these ideas. "It was in essence a Libertarian production line," Mayer writes, "waiting only to be bought, assembled, and switched on."

Tea Party activism in Washington State offers a telling example of how this has played out. According to Mayer, "What supporters billed as a 'prairie fire of populism' was the product of a Washington-based group calling itself Citizens for Congressional Reform, which was started with hundreds of thousands of dollars from David Koch. Fanning the flames was his checkbook." The issue they fixated on was term limits and Mayer reports that the Kochs provided revenue to pay "professional signature gatherers to collect enough names to get on the ballot."

Grassroots, indeed.

Then there's Fox News. FreedomWorks, a group founded by former Congressman Dick Armey, apparently paid newscaster Glenn Beck, a Tea Party superstar, a whopping \$1 million in 2010 to "read embedded content written by the FreedomWorks staff. They told him what to say on the air, and he blended the promotional material seamlessly into his monologues, making it sound as if it were his own opinion," Mayer reports.

Beck's bombastic delivery galvanized the troops, and some Tea Party events -- notably Tax Day protests held each April 15 -- have been well attended by true grassroots supporters. Other issues, however, have drawn a more lackluster response.

Still, the financial grease of the billionaires has kept the organizational coffers filled, making it possible to maintain momentum even without an active rank-and-file. And there's more. Thanks to a little-known section of the Tax Code, many of the newly formed conservative "organizations" have been able to claim 501(c)(4) status. Under this provision a "social welfare" group can participate in politics as long as electoral work is not the group's primary function. "Unlike conventional political organizations," Mayer writes, "such nonprofits can hide the identities of their donors from the public, reporting them only to the IRS. These dark money groups were especially appealing to wealthy individuals who wanted to influence politics without public attention."

Mayer adds that because of this, donors can legally hide their contributions and the influence they buy. Still, we know that Charles and David Koch spent at least \$100 million on the 2014

midterm elections. In addition, between 2010 and 2015 they and their cronies dropped a shocking \$760 million on purportedly apolitical nonprofits such as FreedomWorks Partners, The Chamber of Commerce, The Center to Protect Patient Rights and The TC4 Trust. These organizations then sent hefty checks to the candidates their contributors championed.

It's a sickening shell game. That said, over the last few years numerous tentacles of the "Kochtopus" have experienced legal setbacks. The Kochs, themselves, have faced "environmental, workplace safety, fraud and bribery allegations," Mayer writes. In addition, their associates from Renaissance Technologies are presently under investigation and colleagues from SAC Capital were slapped with \$1.8 billion in fines for insider trading.

These ties have prompted David and Charles Koch to seek image rebranding -- and they have started making huge philanthropic contributions to the arts. What's more, the pair have partnered with the United Negro College Fund and the National Association of Criminal Defense Lawyers to promote scholarships and criminal justice "reform."

Shameless pandering? Most likely, since their efforts to promote free markets as the path to personal salvation continue unabated. Likewise, their promotion of candidates. Thanks to Citizens United, their companies will continue to pour money into the campaigns of candidates who are determined to show their devotion to American enterprise. At the moment, both Cruz and Rubio have Kochtopus support.

That said, while their agenda certainly bodes badly for those of us in the lower 99 percent, their moaning about a left-wing assault against business appears to be much ado about nothing. As Mayer concludes, under Obama, the Koch brothers' fortune jumped from \$28 billion in 2009 to \$41.6 billion six years later.

Although these facts are hard to swallow, we should be extremely grateful to Mayer for her hard-hitting and intrepid research. At the end of the day, 'tis better to know our enemies than not.