

Once secret Koch conference now a target

By [Politico Writer](#)

Politico.com

This weekend, for the eighth straight year, the billionaire Koch brothers will convene a meeting of roughly 200 wealthy businessmen, Republican politicians and conservative activists for a semi-annual conference to raise millions of dollars for the institutions that form the intellectual foundation – and, increasingly, the leading political edge – of the conservative movement.

In the past, the meetings have drawn an A-list of participants – politicians like Sen. Jim DeMint of South Carolina, leading free-market thinkers including American Enterprise Institute president Arthur Brooks, talkers Rush Limbaugh and Glenn Beck and even Supreme Court justices - to mingle with the wealthy donors who comprise the bulk of the invitees. The meetings adjourned after soliciting pledges of support from the donors – sometimes totaling as much as \$50 million – to non-profit groups favored by the Kochs.

For the most part, the meetings, which are closed to the public and reporters, have attracted little attention outside conservative circles. But very different circumstances surround the Koch conference set to begin Saturday at an exclusive resort outside Palm Springs, Calif.

The Koch brothers – Charles and David – have come under intense scrutiny recently for their role in helping start and fund some of the deepest-pocketed groups involved in organizing the tea party movement such as Americans for Prosperity, and for steering cash towards efforts to target President Barack Obama, his healthcare overhaul, and congressional Democrats in the run-up to the 2010 election.

Liberal critics have launched a campaign to highlight what they say is the systematic way in which the Kochs use their political giving to advance a conservative economic and regulatory agenda designed to further the interests of their oil, chemical and manufacturing empire.

Common Cause, the liberal watchdog group, is planning a protest called “Uncloaking the Kochs” and what it calls “the billionaires caucus” on Sunday a few miles down the road from the resort in Rancho Mirage, Calif., where this weekend’s conference will be held, and a handful of reporters have made plans to try to cover the Koch’s closed-door gathering.

While the Koch conferences have taken on an undeniably political edge – a June summit featured sessions on voter mobilization efforts for the 2010 midterms as well as solicitations for an ad campaign attacking Democratic lawmakers – those who have attended say the meetings say the critics have it all wrong.

“The main goal of the seminars appeared to me to be education on the challenges that face the American system of free enterprise and democracy, and what people can do

about them,” said Virginia Gov. Bob McDonnell, a conservative Republican who has attended at least seven of the meetings.

McDonnell, who is not attending this weekend’s conference, said he was introduced to the gatherings by “free market friends up in Northern Virginia, some in the Koch enterprises institution,” and he cast the conferences as playing an important role in the political process.

“Groups on the right, left and in the middle get together all over this great country to exercise their first amendment rights to talk about these issues - some of them are public. Some of them are closed meetings,” he said. “So, to the degree that some on the left may be trying to attack these Koch seminars is really ridiculous.”

Until recently, the secrecy surrounding the meetings had always been tight.

A packet distributed to participants at the last session, held in June in Aspen, Colo., warned attendees not to talk to the press about the meetings, to wear their nametags at all times, and stressed that the meetings are “confidential” and “invitation-only.”

When that packet, which contained a tentative agenda and the names of about 200 invitees hand-picked by the Kochs, was leaked to the New York Times and the White House-allied ThinkProgress blog, it prompted a concerted effort by Koch operatives to locate the source of the leak.

Wealthy business leaders – in particular – have reason to be cautious about publicizing their participation in the conferences and might not participate if they were open to the public, said Herman Cain, a conservative activist and former CEO of Godfather’s Pizza who has participated in three Koch conferences and plans to attend this weekend’s.

“If you happen to be someone who sits on the board of a corporation or you own your own company, and you’re quoted out of context, it could impact your relationship with your owners, your stockholders and your employees,” he said. “That’s why the meetings are closed, so that you don’t have to try to say what’s politically correct. You can just talk about solutions and ideas about what needs to be done in order to try to make this country stronger.”

But the scrutiny from the media, liberal watchdogs and Democrats, including the White House, not only failed to discourage new participants, asserted a source close to the Kochs, it may have increased interest for this weekend’s meeting. “As a result of left-wing attacks, attendance is booming,” said the source.

In addition, the Kochs have been asking select participants to talk publicly about the conference to counter any effort to frame it as a secretive cabal.

Still, when contacted by POLITICO, most of those who had attended past conferences either refused to comment or would do so only on background, with some expressing

concern about running afoul of the Koch brothers – who are reportedly worth \$21.5 billion each – and being blacklisted from receiving invitations or funding.

According to a POLITICO analysis of Federal Election Commission and Internal Revenue Service Records, participants in last year's Aspen conference, their clients and companies, have accounted for \$48.3 million in contributions to mostly conservative candidates and causes since 2003.

And those tallies don't include contributions to Koch-backed non-profit groups such as Americans for Prosperity or the Cato Institute which are registered under sections of the tax code that don't require them to disclose their donors, making it difficult to accurately assess the total impact of Koch-linked giving.

Cain, who is openly discussing a long-shot bid for the 2012 GOP presidential nomination as a tea party alternative to the front-runners, echoed McDonnell that the left's criticism is hypocritical.

“The liberals in this country are always looking for a big conservative target, but the Democracy Alliance does the same thing – so why is this one so suspect?” he said, citing a group of Democrat-allied donors who have been meeting twice a year in secret since 2005.

In some ways, the comparison between the groups is apt.

Democracy Alliance, which kicked a POLITICO reporter out of its November meeting, was patterned after the Kochs' efforts to steer major donor funding to a set of permanent think tanks and policy-based non-profits that aren't directly linked to elections.

And POLITICO has learned the Kochs are trying to launch a voter micro-targeting operation called Themis that their operatives hope will one day rival the Democrats' vaunted Catalist database, which was funded with help from Democracy Alliance.

Plus, the Kochs are becoming targets for the left in the same way the billionaire financier George Soros, a founding Democracy Alliance donor, has long been vilified by conservatives.

Former U.S. Attorney General Ed Meese, who has attended almost every Koch conference and sits on the board of the Mercatus Center at George Mason University, which the Kochs helped create and fund, rejected the Soros comparison. Conservative attacks on Soros, he said, “have been scrupulous in being careful with the truth and presenting only facts, whereas on the left, you have a lot of false and misleading rhetoric about the Kochs.”

Charles and David Koch each own about 40 percent of the Wichita, Kansas-based Koch Industries, which was founded by their father in the 1940s as an oil concern. Today, it's

the second-largest privately held company in the U.S., with interests in producing and distributing oil, chemicals, energy, pulp and paper, and various other concerns.

Students of libertarian free-market philosophy, the Koch brothers, their foundations and company focused their giving in the 1970s, 80s and 90s on think tanks that churned out mountains of studies and white papers promoting libertarian-infused free-market policies and legislation.

The family's money either launched or helped launch such pillars of the conservative establishment as the Cato Institute, the Mercatus Center, and the Institute for Justice, while the Koch-funded Citizens for a Sound Economy, founded in 1984, engaged in so-called grassroots lobbying on a narrow range of issues that sometimes seemed to jibe with the interests of the Koch's companies.

By the mid-point of the Bush administration, though, many fiscal conservatives had become disenchanted with what they saw as the fiscally reckless course charted by the Republicans who controlled both the White House and Congress.

It was against this backdrop that David Koch spearheaded the creation of Americans for Prosperity and that Charles Koch began organizing the donor conferences, with the inaugural meeting occurring in Chicago in 2003.

While critics have charged that their support for free markets represents a thinly veiled rationale to oppose federal regulation, one donor who has attended six or seven Koch conferences insists it is a fundamental belief.

“For the left to characterize the Kochs' efforts in the policy arena as self-interested is to misjudge the extent to which they are motivated by an intellectual belief system,” said the donor, “just as the philanthropic efforts of George Soros and Peter Lewis and others on the left are driven by their very different beliefs.”

But their newfound prominence as liberal targets is due largely to their support for more activist groups, many of which have sought to harness or fan the energy of the tea party movement.

Their summer 2010 Aspen conference, for instance, featured a heavy emphasis on the efforts of Koch-linked groups to shape the midterm elections by rallying grassroots activists around issues important to the tea party.

An ad was screened attacking Obama's healthcare overhaul, and plans were announced to air it in districts of vulnerable congressional Democrats who supported it, while Karl Crow, a former Koch Foundation staffer who left to run Themis last year, introduced the project to donors.

Tim Phillips, president of Americans for Prosperity, which David Koch helped found in 2004 and which played a leading role in organizing early tea party events, talked about

his group's effort to mobilize voters ahead of the midterms, as well as its planned \$45-million campaign ripping Democrats in 50 swing House districts and half a dozen targeted Senate races.

At the luncheon on the final day, a donor stood up and pledged \$1 million to fund some of the Koch-backed non-profits, followed by a number of other 7-figure pledges, and a combined \$12 million pledge by the Koch brothers, according to multiple attendees, one of whom estimated that the pledges received at that luncheon alone totaled \$25 million.

But the Kochs and their operatives have expressed some uneasiness about being linked to grassroots activism, generally, and tried to distance themselves from the tea party movement, specifically.

"I've never been to a tea-party event," David Koch in July told New York magazine in a rare interview. "No one representing the tea party has ever even approached me."

In a May interview with FrumForum, Koch's top executive, Richard Fink, said of Americans for Prosperity: "I don't consider them a Tea Party institution," then clarified "While they participate in events with tea party groups, our support of them has included no funds specifically for tea party-related efforts."

A session at the January 2009 Koch donor conference in Palm Springs seemed to highlight the tension between the establishment and the new populist, grassroots movement. It featured a spirited debate about how best to advance free-market conservative principles in Washington between DeMint, who was then emerging as a champion of the anti-establishment conservative movement that became a pillar of the tea party, and Sen. John Cornyn, chairman of the National Republican Senatorial Committee.

Cornyn told the donors about Republican efforts to win more seats in the Senate, while DeMint made the argument – as he has repeatedly, both before and since – that the cause would be better served by having a GOP minority comprised entirely of uncompromising conservative purists, than having a majority compromised of moderates and centrists.

"That's a pretty establishment crowd," said someone familiar with the panel. "But DeMint completely won them over."

*The Charleston Gazette is a member of the [Politico Network](#).*