

The Wonderful World of Koch, and the Good It Does for Republicans

By David Weigel February 6, 2014

Within a couple hours of each other, Chris Moody, Andy Kroll, and Daniel Schulman published a trove of new info about the Koch donor network.

<u>Moody reports that</u> the sort-of-viral 1980s action figure parody, *The Kronies*, "grew out of <u>Public</u> <u>Notice</u>, an advocacy group and polling firm that's part of a sprawling political advocacy network overseen by billionaire activists Charles and David Koch," but the campaign attempts to hide that—it claims, as a joke, to be a product of <u>Chimera</u> Inc. "Chimera Incorporated has worked together with our partners in Washington to become officially too big to fail," reads the ad copy. "As a result, your investments in Chimera are ultimately backstopped by the American taxpayer." Rimshot!

Kroll/Schulman <u>get their hands</u> on a list of donor meetings that were scheduled for (and presumably took place at) last month's Koch confab in Palm Springs. "At least half of the oneon-one sessions involved representatives of <u>Americans for Prosperity</u>," they report, "the political advocacy group founded by the Koch brothers and their top political adviser and strategist, Richard Fink, a Koch Industries executive vice president and board member. The AFP officials called to duty for these discussions included AFP's president Tim Phillips, chief operating officer Luke Hilgemann, vice president for state operations Teresa Oelke, and vice president for development Chris Fink (Richard Fink's son)."

The common thread between Story A and Story B? Paranoid yet shoddily protected secrecy. "Chimera Incorporated" was a red flag to interested journalists—hey, guys, there's some money behind this thing. The master document listing important meanings with possible donors is the sort of thing that should have been shared on Dropbox, not printed out. (Not that I want organizations to stop printing out useful documents then leaving them in hotels! Please keep doing that.)

But why were they secret? That's obvious—too much heat on the Kochs. Moody and I both remember a time when the Kochs could make it rain on libertarian institutions and the media didn't care. (He worked <u>at the Cato Institute</u>, I worked at *Reason*.) Now, being "Koch-connected"

is a recipe for being denounced by Democrats. Wealthy Republican donors fear, more than ever, being targeted by the IRS.

That's how you get something like the secrecy of the Kochs courting Robert Rowling, co-founder of TRT Holdings (which owns Gold's Gym), even though Rowling "directed \$3.5 million to American Crossroads, the super-PAC spearheaded by Karl Rove, and he cut a \$100,000 check to the pro-Romney super-PAC Restore Our Future." We can safely assume that he's going to give to more Republicans. Right? "Papa" John Schnatter was at Palm Springs, probably because the Kochs noticed him donating to Mitt Romney and criticizing Obamacare. (Romney's <u>appearance at fundraiser</u> hosted by Schnatter gave us one of 2012's less remembered yuk-yuks: "Don't you love this country? What a home this is, what grounds these are, the pool, the golf course. Republicans come here and say everyone should live like this.")

The Koch network is massive—we knew that—but it's also becoming an unalloyed good for Republicans. Americans for Prosperity has spent \$23 million this cycle on TV ads attacking Democrats in swing states, on Obamacare. This week it annouced that it would join the Club for Growth on the air in Arkansas, to soften up Sen. Mark Pryor.

Over the weekend, Nick Confessore <u>ran a long</u>, <u>A1 New York Times story</u> about how "GOP rebels" were outpacing the more traditionally connected groups. Karl Rove's American Crossroads had suffered massively from its 2012 losses, and its promised plan to defeat unelectable candidates in primaries raised basically no money. How Confessore put it:

During the 2012 campaign, Republican leaders counted on Crossroads Grassroots Policy Strategies, the nonprofit arm of Mr. Rove's group, to soften up Democratic candidates by financing issue ads in the early campaign season. Now that job is falling largely to Americans for Prosperity, which has been critical of Republican leaders' strategy on issues like the debt ceiling.

But the Koch network is not like the Senate Conservatives Fund or Tea Party Patriots or other "rebels." It is not raising money by promising to beat "RINO" Republicans in primaries. It's not spending a cent against Republican incumbents. It did not call for the government shutdown. It is amplying the preferred Republican message, appealing to Republican mega-donors and to libertarians uncomfortable with the main party. That's why it's so powerful this year. That's why it's secretive even when the secrecy invites bafflement.