

THE WEEK

The Koch brothers' agenda

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Who are the Koch brothers?

Possibly the most influential nonelected individuals in American politics. Through their vast network of political action committees and advocacy groups, the billionaire industrialists have raised hundreds of millions of dollars to influence legislation and elect conservative politicians who share their aims of cutting regulation, taxes, and government spending. Charles and David Koch's 17 largest groups spent \$400 million in the 2012 election and about \$300 million in last year's midterms, financing grassroots campaigns, election analytics, and a barrage of attack ads. Most of this is "dark money," which, because of a loophole in campaign-finance law, can be donated anonymously. And thanks to several U.S. Supreme Court decisions, corporations and rich donors can give unlimited amounts to "outside" organizations like the Koch's. The Koch (pronounced as "Coke") brothers plan to pump even more cash into the 2016 presidential campaign. Their \$889 million fundraising target, much of which would come from a network of 300 superwealthy donors, is expected to exceed what either the Republican or Democratic parties will raise and spend. "It's no wonder [Republican] candidates show up when the Koch brothers call," said David Axelrod, former senior adviser to President Obama. "In many ways, they have superseded the party."

How did they make their money?

In 1967, Charles took over the oil refinery business that his father had built from scratch. Renaming it Koch Industries, he and younger brother David expanded the Kansas-based firm into a global petroleum, plastics, and chemicals conglomerate. With annual revenues of \$115 billion, Koch Industries is now one of America's largest privately owned companies, responsible for products as diverse as Stainmaster carpets and Lycra spandex. Charles, 79, and David, 74, are tied for sixth on *Forbes's* ranking of the world's wealthiest people, worth about \$42 billion each. But their success came at a high personal cost. Their two siblings — older brother Fred and David's twin, Bill — tried to wrest control of Koch Industries in the 1980s. Charles and David bought out their brothers for \$1.1 billion, but the scars from the fight remain. In a 2012 interview, Charles referred to Bill only as "the brother of the twin."

What are the Kochs' politics?

They're essentially libertarians: They support gay marriage and the legalization of marijuana, but they champion free-market principles and are economically very conservative. They oppose the Affordable Care Act, food stamps, and the minimum wage. David ran as the Libertarian Party's vice-presidential candidate in 1980, but the brothers abandoned the party when they realized it would never challenge Washington's political duopoly. The Kochs own the Cato Institute, a

prominent libertarian think tank, and their groups helped bankroll candidates involved in the Tea Party wave in 2010 and the GOP's Senate takeover last year. Senate Minority Leader Harry Reid (D-Nev.) has repeatedly denounced the brothers for trying to "buy America," quipping that Republicans are "addicted to Koch."

Why else are Democrats angry?

Because most of the Koch's political network, dubbed the "Kochtopus," is deliberately so opaque. Its main funding arm, Freedom Partners, raised \$256 million in 2012 — but because it's organized as a "social welfare" group, whose primary purpose is supposedly educational rather than political, its donors are exempt from public-disclosure requirements. Liberals also are infuriated by the brothers' opposition to environmental legislation; it recently emerged they were one of the energy-industry groups funding the research of astrophysicist Wei-Hock Soon, an influential climate change skeptic. Sen. Bernie Sanders, a liberal Vermont independent, claims the brothers oppose every law that protects "the middle class, the elderly, the children, the sick, and the most vulnerable."

How do the Kochs respond?

By pointing out that their fundraising is legal and claiming donor anonymity is necessary "to protect against the threat of retaliation" by liberal attack groups. The Kochs also accuse liberals of double standards. Democrats also benefit from "dark money" — albeit on a much smaller scale — and have their own billionaire bankrollers such as financier George Soros and environmentalist Tom Steyer (see below). So far, Democratic attack ads linking Republican candidates to the Kochs have not been effective with voters. "Anytime my candidate is talking about the voters' money and my opponent is talking about other people's money," says Republican strategist Brad Todd, "I feel pretty good about our chances."

Who will they back in 2016?

The Kochs probably won't support a specific GOP primary candidate. Scott Walker, Marco Rubio, Rand Paul, and Ted Cruz all attended the brothers' recent semi-annual fundraising weekend. The brothers will likely support whoever wins the Republican nomination and back selected candidates who they believe will further their goals in Congress. Their network has already become a shadow version of the GOP — with campaign strategists targeting specific demographic groups — and its influence will stretch beyond 2016. "We're genuinely a long-term effort," explains Tim Phillips, president of the Koch-backed Americans for Prosperity. "We're not about some election cycle."

The liberal answer to the Kochs

If the Kochs are the left's bogeyman, then the right has its own billionaire villain in environmentalist Tom Steyer. A former hedge fund manager, Steyer gave \$74 million to Democrats in last year's midterms, making him the largest individual donor on either side — in publicly disclosed donations, at least. Conservatives have claimed that Steyer's generous donations have influenced President Obama's energy policy. But Steyer insists that comparisons

with the Kochs are unfair. He's worth \$1.6 billion to their combined \$84 billion and declares all his donations and donors' identities. The Californian also argues that although his donations are ideologically motivated, the Koch brothers push policies that will aid their business interests. This defense doesn't wash with conservatives — or many liberals. Democrats can't "claim that their billionaires are pure at heart," said Will Marshall, president of the Progressive Policy Institute, "while conservative billionaires only have selfish motives."