

Everything you've ever wanted to know about the Koch brothers, in two books

Get your fill with 'Sons of Wichita' and 'Big Money'

By <u>Chris Moody</u> June 11, 2014

Beyond the confines of libertarian organizations, sailboat racing clubs, Manhattan socialite circles and the borders of Kansas, the words "Koch brothers" didn't mean much to most Americans before 2010. That was when the <u>New Yorker's Jane Mayer</u> revealed to a broad audience how two of the four brothers — Charles and David Koch — were building a multimillion-dollar shadow campaign against President Barack Obama's new administration.

Mayer's piece, and the subsequent tsunami of Koch coverage that followed, have thrust Charles and David Koch into the mainstream political spotlight, turning them from obscure, private businessmen into poster children for a new era of big money politics.

Through their series of closed-door seminars, in which an elite group of wealthy conservatives and libertarians have gathered twice a year since 2003 to raise money for right-wing causes, the Kochs have engineered a fundraising goliath that spent \$400 million against Democrats in the 2012 election alone. That spending was largely made possible by a series of federal court decisions in 2010 — particularly Citizens United v. Federal Election Commission, which opened the door to unlimited corporate and union spending on political speech, and the lesser-known federal court decision in Speechnow v. Federal Election Commissionthat made the world safe for super PACs. These cases laid the foundation for the campaign finance system we have today, one that has jolted election spending power from official party committees and candidates to super PACs and nonprofit organizations that aren't required to disclose their donors.

We now live in a new era of electoral politics, and like any unfamiliar place, it helps to have knowledgeable tour guides to show us around. Thankfully, two new books have arrived just in time: "Sons of Wichita: How the Koch Brothers Became America's Most Powerful and Private

Dynasty" by Mother Jones senior editor Daniel Schulman and "Big Money: 2.5 Billion Dollars, One Suspicious Vehicle, and a Pimp—on the Trail of the Ultra-Rich Hijacking American Politics" by Kenneth Vogel, a reporter at Politico. Together, the books navigate this 21st-century political labyrinth and pull back the curtain on some of the most important players. Schulman's book, a painstakingly researched and even-handed tome about the Koch family dynasty, provides the much-needed biographical context for the Koch brothers Americans hear so much about today. Through impressive sourcing, Vogel's work picks up where Schulman's left off, and offers a peek into the secretive universe of megadonors in the post-Citizens United era.

While many Americans have probably heard about the Koch brothers only in the context of their opposition to Obama and support for the tea party, members of the family have spent decades fighting battles outside the political sphere. Besides the politically active Charles and David, there are two more brothers — Frederick, the oldest, and Bill, David's fraternal twin. They are sons of the late Fred Koch, who built the Wichita, Kansas-based Koch Industries into an industrial giant before passing the company — still privately owned — to his sons upon his death in 1967. "You will receive what seems now to be a large sum of money," Fred warned his sons. "It may be either a blessing or a curse."

For the four brothers, their father's gift was a little bit of both. Under the leadership of Charles, who took the company's reins, the company has grown into the second-largest private corporation in the United States, making the brothers billionaires several times over in the process. But, as Schulman describes, the brothers squabbled ferociously over the company's riches for decades. Bill served as the lead instigator when Charles and David pushed him out of the company, filing a series of lawsuits against the company that dragged the family's private — and at times embarrassing — fights into the public eye. Schulman guides readers through years of hellish legal battles brought on by Bill that make Senate Majority Leader Harry Reid's vendetta against Charles and David's political network appear mild in comparison.

Schulman's book also traces the Kochs' political involvement, which stretches back to when Fred helped launch the anti-communist John Birch Society in 1958. The brothers inherited their father's passion for free-market economics and political activism, even in their youth. Schulman described how, in the 1960s, Charles told a houseguest to leave a copy of Ernest Hemingway's "The Sun Also Rises" he brought with him on the front porch. "Is there a problem?" the guest asked, according to Schulman. "Well, he was a communist." Charles replied. In another colorful anecdote, on May Day in 1961, Bill and David got their names in the local newspaper for leading a rally in which their fraternity brothers impaled Fidel Castro in effigy on the flagpole outside their MIT frat house.

In the 1970s, Charles began funding political causes, helping to launch the Cato Institute, a libertarian think tank, and other academic pursuits. In 1980, David ran for vice president on the Libertarian Party ticket. The activism earned the brothers' adopted ideology a rebuke from the conservative flagship magazine National Review, which derided Charles as "a man whose wealth and devotion to privacy are straight out of the Howard Hughes legend."

Charles continued to bankroll a coalition of libertarian and conservative groups over the next 30 years, but media coverage of his family's personal and corporate endeavors overshadowed

mentions of his financial contributions to the political movement. Schulman's book explores the intertwining storylines of the Kochs and provides the history needed to understand how the brothers built the political network that exists today.

In short: These guys were at it long before Obama entered the scene.

"Charles is a true believer, " Schulman writes, "whose free-market beliefs are unquestionably self-interested — but also undeniably sincere."

It was only recently, when Charles and David turned part of their attention away from academic pursuits and toward party politics, that their names became ubiquitous in political circles, particularly among liberals.

"On the Left, 'the Koch brothers' became a political meme, a crude caricature of corporate fat cats subverting democracy and science as they secretly advanced their plutocratic agenda," Schuman, whose book doesn't describe the Kochs' current political apparatus until more than 250 pages into his book, writes. "The brothers were suddenly the Punch to Obama's Judy in the partisan puppet show."

This is where Vogel's book, particularly his detailed reporting on the framework that made the Kochs' current political work possible, makes a fine companion to Schulman's work.

While most political reporters spend election seasons hounding candidates at public events around the country, Vogel stalks donors and sleuths through campaign finance documents and tax filings. With \$7 billion spent on politics surrounding the 2012 elections — a record amount — it seems Vogel might have spent his time and reporting resources more wisely than the rest of us.

During the past Republican presidential primary, for example, almost every candidate had his own rich sugar daddy who kept the campaigns alive through super PAC donations: Rick Santorum's sugar daddy was businessman Foster Friess, Newt Gingrich's sugar daddy was casino magnate Sheldon Adelson, and Jon Huntsman's sugar daddy was literally his daddy, Jon Huntsman Sr. Without them, the lively primary contests of 2012 might never have existed.

Vogel invites readers to imagine what it would be like if all of these whale donors agreed early on on a single candidate. Could the choice of the privileged few overwhelm the will of the many? In the opening pages of his book, Vogel reports on a meeting between Obama and a group of high-dollar donors in February 2012, in which the president said as much.

"You now have the potential of 200 people deciding who ends up being elected president every single time," Obama told the millionaire and billionaire donors at the meeting, according to the book. "I may be the last presidential candidate who could win the way I won."

As a whole, Vogel's book serves as a road map for the political world that followed Citizens United and Speechnow. The rulings in those cases shifted the political power structure from mainstream political parties and candidates, which are limited in the amount of money they can accept from individual donors, to the super PAC and nonprofits that can accept unlimited amounts of money from individuals and corporations alike.

"Almost everyone now recognizes that the action — and the money — is outside the party system," Vogel writes.

This billion-dollar "shadow campaign," Vogel writes, "was the very picture of what I imagined a privatized political party would look like."

While Vogel does a fine job showcasing how both the left and the right have benefited from the new system, no one, it appears, has gamed it better than the Kochs and their network of donors.

"The Koch operation," Vogel writes, "was far more sophisticated than the actual Republican Party. It was also more secretive, though, and tracing its ever-shifting contours was an ongoing challenge for me and my colleagues in the press corps."

Despite Obama's victory in 2012 — which had help from his own shadowy coalition of liberal organizations — the Kochs and other outside groups have no plans to slow down in future elections. (One of the Koch network's best-funded groups, Americans for Prosperity, plans to spend as much as \$125 million on the midterm elections in 2014, a revelation brought to light by none other than Vogel last month.)

Of course, money has long been a part of elections. "There are two things that are important in politics. The first is money, and I can't remember what the second one is," Mark Hanna, who engineered William McKinley's presidential election in 1896, once said.

At least this time, with the help of reporters such as Schulman and Vogel, Americans can actually have some understanding of how the money got there.